



In the Ashes Of Old Order, Italy Parties Begin Again

By Alan Cowell
ROME — The result of elections for the mayors of major cities was fairly clear: The former Communists won, the neo-fascists cemented gains and the insurgent Northern League remained strong only where its name suggests it should — in the north.



Francesco Rutelli, elected mayor of Rome with backing from leftists, arriving by motor scooter on Monday at the city council office.

NEWS ANALYSIS
ed in the spring to decide who inherits the land from the discredited Christian Democrats, brought down after a half-century in power by the end of the Cold War and their own massive corruption.

Dispute Over Films Keeps Negotiators Wrangling on Trade

U.S.-Europe Farm Deal Seems Set, But Paris Seeks EC Concessions, Too

By Tom Buerkle
BRUSSELS — The United States and the European Community settled most of their disputes on agriculture and other trade issues Monday, but sources said a possible world trade accord remained blocked largely by differences over Hollywood's access to the European film and television market.

mands appeared aimed mainly at winning concessions from Paris's EC partners and not at undoing the basic agreements between the Community and the United States.

Mr. Kantor met with Sir Leon for more than five hours before adjourning late in the afternoon to brief President Bill Clinton by telephone. Mr. Clinton said the talks "have done quite well on agriculture" but added that "there are still a couple of sticking issues."

Mr. Steichen predicted a difficult foreign ministers' meeting Tuesday and said that as a result, Sir Leon and Mr. Kantor were unlikely to be able to start selling the deal to the rest of GATT in Geneva any earlier than Wednesday.

The new delays added yet more pressure to an already tight timetable for a global trade pact, where the deadline is only nine days away. Mr. Clinton's "fast-track" authority to put an agreement to Congress without it being subject to amendment will expire Dec. 15.

Officials in Geneva said the negotiations there involving the 103 other members of the General Agreement on Tariffs and Trade were virtually suspended awaiting a U.S.-EC accord.

"Everyone in Geneva is just waiting on what happens in Brussels," said one senior trade negotiator there.

Swap of Hubble's Solar Panels a 'Piece of Cake'

By John Noble Wilford
HOUSTON — After two painstaking space walks, the shuttle astronauts on Monday had completed the critical repairs to extend the \$1.5-billion Hubble Space Telescope's expected operating life and were ready to see if they could give it a more significant boost.

two solar-power panels, one of which was badly warped and twisted, with an improved set designed to eliminate vibrations that had upset many of the telescope's observations.

plished their first important objectives of the \$700 million mission.
The new components should assure the Hubble of at least three or four more years of operation, until the next planned servicing mission in 1997. This was the first visit to a spacecraft designed to be maintained by shuttle repair crews who could change parts and install improved instruments.

But seeing is what counts in astronomy, and the next two space walks should determine if the Hubble might be restored to its promised capabilities of surveying celestial objects so far away that their light is coming from close to the beginning of time.

Kiosk
Mellon Bank to Acquire Dreyfus
Dow Jones Up 6.14
The Dollar Mon. close previous close
General News
Markus Wolf, the East German spy master, received a six-year prison term.

Clashes Sharpen In West Bank as Talks Pick Up

By David Hoffman and John Goshko
JERUSALEM — Fresh violence broke out Monday night on the West Bank as Israel and the Palestine Liberation Organization searched for a resolution of disagreements over Israel's scheduled military withdrawal from the Gaza Strip and Jericho.



A Palestinian youth taking aim at troops during clashes in a Jerusalem refugee camp.

Austrians Fear Terror Drive By Neo-Nazis

By David B. Ottaway
VIENNA — Fears mounted here Monday that extremists have decided to resort to terrorism not only against foreigners but against the foreigners' Austrian defenders as more letter bombs were intercepted and evidence emerged that a neo-Nazi group is behind the bloody campaign.

The latest bomb went off in an office in the center of Vienna near the Stephansplatz, injuring the secretary of a well-known lawyer. Three other letter bombs were found and safely dismantled.

Since letter bombs began showing up in the mail on Friday, four Austrians, including Vienna's mayor, Helmut Zilk, and a television program hostess, have been injured, while at least 10 explosive devices have been found.

The wave of terrorism has come as a shock to Austria, which so far had been spared the kind of neo-Nazi violence taking place in Germany, where scores of foreigners have been killed or beaten and their homes burned but where few Germans have been targeted.

By contrast, it is Austrians rather than foreigners who have become the principal targets of rightist terrorism here.

Austria has been the scene in the past of several terrorist attacks by Palestinian extremists, including the kidnapping in 1975 of ministers from the Organization of Petroleum Exporting Countries and an attack at Vienna airport in 1985.

But this is the first outburst since World War II of what appears to be violence perpetrated by neo-Nazi extremists against other Austrians.

No group has taken responsibility for the rash of letter bombs. But the media reported Monday that words found written on a number of intercepted letters indicated the attacks were most likely the work of neo-Nazis. The slogan read: "We Defend Ourselves. Graf Rüdiger von Starbemberg."

Graf von Starbemberg was the successful See AUSTRIA, Page 2

For Bosnia's Young Army, A Long Road to Stalemate

By John Kifner
SARAJEVO, Bosnia-Herzegovina — The three-sided war in Bosnia is grinding to a stalemate on the ground, with each side weakened as winter draws on but fighting hard to gain or hold territory before maps are drawn for any possible peace settlement.

But armed mostly with Kalashnikov automatic rifles that the Bosnian soldiers have taken from their enemies or bought on the black market — and prevented from getting heavy weapons by an international arms embargo and by encirclement — the soldiers have been unable to strike a major blow against the Serbian and Croatian forces attacking them from the east and west, the commanders said.

In the mountains surrounding Sarajevo, he said, Serbian forces have about 80 tanks and 1,500 artillery pieces, many in positions dug by the Yugoslav Army well before the war in what were supposed to be training exercises but were part of a plan to annex the area into a "Greater Serbia." In the city, General Djijak said, the defenders have 2 tanks and 50 artillery pieces.

The Yearlong Grind: Making the Grade of India's Elite

By Edward A. Gargan
NEW DELHI — Kumar Mihir is looking a bit scruffy these days. He hasn't shaved in a while, his shirts are rumpled, his bloodshot eyes not unlike a barroom habitué's. He is not alone.

Newsstand Prices

Table with 2 columns: Country/Currency and Price. Includes entries for Andorra, Antilles, Cameroon, Egypt, France, Gabon, Greece, Ivory Coast, Jordan, Lebanon, Luxembourg, Morocco, Qatar, Réunion, Saudi Arabia, Senegal, Spain, Turkey, U.A.E., U.S. Mil.

But it is still an army with an overwhelming problem: "We don't have enough weapons," said its commander, General Rasim Delic.

In interviews, the Bosnian Army's top commanders sketched a picture of hastily pulled together fighters who now enjoy numerical superiority and the motivation of battling to save their homes.

These differing views appear to suggest that both Israel and the PLO are preparing for a week of intensive jockeying before the Monday deadline. Mr. Rabin and Mr. Arafat may meet in the days ahead, probably in Cairo, before a final agreement is reached, and some Israeli officials have said that a symbolic military pullout could take place even before the full agreement is sealed.

But Mr. Rabin has come under sharp criticism this week as a wave of violence engulfed Jewish settlers and Palestinians. On Monday, an Israeli father and son were killed and three other sons in the family were wounded as gunmen drove by in a car and sprayed their minivan with automatic weapons fire near the West Bank town of Hebron. Settlers opposed to the peace accord gathered for demonstrations in Jerusalem and Hebron, throwing stones at Arab cars.

U.S. officials said that in a two-hour meeting at the U.S. Embassy in Amman, Mr. Arafat See ISRAEL, Page 6

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Indeed, little that happens in the life of most Indians, from the building of schools to the granting of a telephone, happens without the fingerprints of an administrative service officer on it. These bureaucrats can make something happen, but, just as easily, create obstacles to policy-making. They are, in a real sense, the rulers of their domain, and the lust for the powers they hold runs deep.

"People get into the IAS to have power, to have money, to have prestige," said Mr. Mihir, 23, a student of law and economics at Delhi University. "Power and prestige are closely associated in the minds of the people."

Initially, I was not interested in IAS. I was interested in management, to be an executive. But things changed because of family pressure. They were interested in my going into the IAS. My father was a bureaucrat at the state level. They saw See EXAM, Page 6



# A Russian Candidate Delivers the Goods Himself

**By Celestine Bohlen**  
New York Times Service

LYTKARJNO, Russia — In an election where most candidates are worried about voter indifference, Anatoli V. Guskov, a 45-year-old millionaire businessman running for a seat in Russia's new parliament, knows how to draw a crowd.

When Mr. Guskov arrived in this small town on Moscow's southeastern rim for a meeting with pensioners last week, the 650-seat hall was so full that extra benches had to be brought in to accommodate several dozen angry women who had been locked outside in the freezing cold, beating on the doors to get in.

By the time he left, the crowd was in a much better mood. Not only did they get what they had come for — a kilogram of powdered milk and two fresh lemons — but they also extracted from the candidate another of his famous promises, a pledge to send one of his own company buses to fill in a gap in the town's crumbling transportation system.

On the campaign trail in the 108th Electoral District, Mr. Guskov, a candidate for the Duma, or lower house, has his own way of dealing with voters' problems: He throws money at them, often his own. He offers free meals to the poor, he is paying for the recon-

struction of half a dozen churches and he recently pledged to finance an aviation museum dedicated to a local test-flight center.

Speaking on national television recently as a member of the Future of Russia-New Names Party, he told how he had come to the rescue of the town of Zhukovskiy, where municipal authorities had been forced to cut back on central heating during a bitter cold spell, by finding low-cost state credits to buy natural gas.

Mr. Guskov, a builder by profession, got his start in 1988, in that strange interlude between the heyday of the Communist system and its collapse in 1991. He has since expanded to trade and agriculture, accumulating an empire that includes 4 restaurants, 7 cafes, 37 stores and an old state farm that continues to lose money.

His political credo is loosely patched: He supports President Boris N. Yeltsin as the "only president we have," but is critical of the government, which he believes has done more to destroy the economy than to reform it.

A distinct phenomenon of the elections is the rise of "businessmen," either as candidates or as financial backers. Political campaigns are becoming expensive, even local ones like the race in the 108th District, which involves Mr. Guskov and eight other candidates.

Mr. Guskov, whose campaign entourage includes a sociologist as well as bodyguards, has gone Western in his approach. His emblem is a goose, a pun on his name; it appears on campaign buttons, stickers and shopping bags. He has giveaway lighters and pens, all made in the West.

Mr. Guskov's campaign manager, Viktor K. Frolov, would not discuss how much his candidate was spending, but boasted of a strategy aimed at the common folk.

"He is the only one going out there, in the courtyards, in the factories, meeting with people," said Mr. Frolov. "Unlike the others, he is not afraid to talk with voters."

## EC Postpones Signing Of Russia Trade Pact

**The Associated Press**

BRUSSELS — Citing still unresolved issues after months of negotiations, officials said Monday that the European Community will be unable to sign a trade and cooperation accord this week with President Boris N. Yeltsin of Russia.

"It is utterly impossible to conclude the negotiations before Yeltsin arrives" on Wednesday, said the Dutch foreign minister, Pieter Koopmans. He said the talks faltered, especially in areas of market access and free movement of capital.

## Venezuelan Populist Is Elected President

**Compiled by Our Staff From Dispatches**

CARACAS — Rafael Caldera Rodríguez, 77, a populist with a reputation for honesty, has been elected president of Venezuela.

The Supreme Electoral Council said Mr. Caldera, representing a coalition of 17 parties from the far right to the Communists, won 28.5 percent of the vote.

The electoral council said Andrés Velásquez of the union-based Radical Cause Party, an electrician-turned politician, won 26.69 percent of the vote.

However, later official results were expected to widen Mr. Caldera's lead because he was believed to have more of a following in the interior, where votes were still being counted.

Oswaldo Alvarez Paz of the Social-Christian Party, a free market advocate backed by the business community, scored 22.07 percent, while Claudio Fermín of the social democratic Democratic Action Party won 20.87 percent.

Mr. Caldera, who served as Venezuela's president during the early 1970s, was returned to office by an electorate that turned against the two parties that have alternated in governing this country for the last 35 years.

Alienated by political corrup-

tion and economic recession, voters Sunday migrated toward two independent candidates, Mr. Caldera and Mr. Velásquez. Mr. Caldera will take office Feb. 2, facing a Congress fractured among four parties.

Voicing was peaceful, and much of the political tension seems to have drained away. In recent weeks, Venezuelans were kept on edge by a mix of bombings, coup rumors, mysterious power blackouts, and threats by candidates to "defend" their votes in the streets.

"The time is over when people thought that democracy would perish," President Ramón J. Velásquez assured the nation. He took office in June after the impeachment of President Carlos Andrés Pérez to stand trial for misuse of government money and did not run in Sunday's election.

"I am calling on all sectors of society," Mr. Caldera said. "We have to sweep away our differences for Venezuela."

He added that he hoped his election would put to rest the fears of a new coup attempt after two military coups last year.

"The joy experienced yesterday is the best guarantee against the danger of a military coup," he said. (NYT, Reuters)



Rafael Caldera Rodríguez, the president-elect, waving to supporters in Caracas.

## Conservative Opposition in Mexico Charges Fraud in Yucatán Election

**By Tim Golden**  
New York Times Service

MERIDA, Mexico — As the government and its party seek to convince Mexicans that next year's national elections will be clean, political conflict is rising over what opposition parties say was blatant fraud in an important state vote.

The state election authorities have announced that the governing Institutional Revolutionary Party won the Nov. 28 gubernatorial race in the southeastern state of Yucatán.

They have also certified the party as having won the city hall in Merida, the state capital, by 2,341 votes out of more than 200,000 cast.

Last week, during the vote in Yucatán, the governing party suddenly announced that Mr. Salinas had chosen his social development

outcome, leaders of the conservative National Action Party promised nationwide civil disobedience unless a new vote was held.

"The problem of Yucatán is a national problem," the party's secretary-general, Felipe Calderón Hinojosa, said as he led a four-day protest march from Mexico City to Merida. "If there is no penalty for what happened here, and if the 1994 election goes like this, they will be pushing the country over the edge."

National Action leaders who traveled to the state made no secret of their belief that the timing of the protest was all wrong for President Carlos Salinas de Gortari.

Last week, during the vote in Yucatán, the governing party suddenly announced that Mr. Salinas had chosen his social development

secretary, Luis Donald Colosio Murrieta, as the candidate to succeed him. Many Mexicans suspected that the announcement, made earlier than planned, was timed to distract them from Yucatán.

But any diversion seems to have been only temporary. The claims of fraud have gained more and more attention. And they have clashed loudly with repeated statements by Mr. Colosio that he wants a fair presidential contest Aug. 21.

Independent citizens' groups that monitored about 20 percent of polling places reported irregularities at more than half of them.

Governing party supporters were said to have put pressure on some voters and bribed others, offering such inducements as a kilogram of meat a vote.

## Kohl's Allies Urge Party Discipline

**Reuters**

BONN — Chancellor Helmut Kohl came under pressure from within his center-right government on Monday to stanch party dissent after a stinging local defeat in Brandenburg.

Mr. Kohl's conservative Bavarian allies, the Christian Social Union, urged him to discipline his squabbling Christian Democrats and focus on vote-winning issues like creating new jobs and cutting wasteful state spending.

"A setback of 10 percent is a shock," Erwin Huber, the Christian

Social Union secretary-general, told German radio after the Christian Democratic Union plummeted to 22.5 percent in Brandenburg on Sunday from 31.8 percent in the last polls, in May 1990.

"The chancellor has to pull in the reins," Mr. Huber said.

The surge of protest votes for the reform Communist group, the Party of Democratic Socialism, was "frightening," he added.

The Social Democrats, the big winners in Brandenburg, assessed the result this way: "The count-down has started for Helmut Kohl."

Mr. Kohl's chancellor minister, Friedrich Bohl, admitted the defeat was disappointing but indicated that the chancellor saw no need to change his policies.

"In coming months, we will have to make greater efforts to show what we have achieved," the minister said. "If we go further along this way, I am sure we will have good chances in Eastern Germany next year."

The Christian Democratic Union must contest 19 elections next year and is trailing the Social Democrats in opinion surveys.

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**ITALY: Setting Up the Battleground for the Next Ascendant Movement**

**Continued from Page 1**

The collapse of the old, centrist political bulwarks, leaving voters to choose between what had once been the extremes.

"The results were partly dictated by the total absence of a political center, and that forced voters to divide themselves between left and right," said Franco Ferrarotti, a sociologist.

Aldo Masullo, a professor of philosophy at the University of Naples and former Communist, said, "In this election the vote has been more against than for." Some people who voted neofascist did so out of opposition to the former Communist, he said, and some who voted former Communist did so to block the neofascists.

"What the results shows is that fascism spreads more fear than communism," Professor Masullo said.

The outcome has left Italian politics resembling a kaleidoscope: the federalist Northern League of Umberto Bossi.

Both failed to win the mayorships of the five big cities, but consolidated their positions as local heavyweights. The neofascists remain the biggest single party in Rome and Naples, just as the Northern League is the biggest individual grouping in many parts of Italy north of the Po Valley.

The former Communists, by contrast, formed broad alliances that enabled them to overcome the conservatives' local power. Thereby, they became the only party with national standing from Naples to Venice.

That has left their adversaries troubled.

"The League cannot remain isolated," said Mr. Bossi, in a shift from his organization's previous reluctance to play the traditional coalition-building games of Italian politics that it blames for so many of the country's woes.

## Spymaster Gets 6-Year Prison Term In Germany

**By Craig R. Whitney**  
New York Times Service

DUSSELDORF — Markus Wolf, the East German Communist spy master who riddled Bonn with his agents during the Cold War, was convicted of bribery and treason Monday by the country that absorbed his own in 1990.

Many spectators in the packed basement courtroom, including former Communists and some of Mr. Wolf's former colleagues, jeered when the chief judge, Klaus Wagner, imposed a sentence of six years in prison, suspended while Mr. Wolf appeals.

"It's a bitter reprieve," the 70-year-old defendant said, but he was not surprised by the verdict.

His appeal, on the grounds that prosecution of former East German intelligence officers in reunified Germany is unconstitutional because their Western counterparts in Bonn can continue to work undisturbed, could take six months to a year, his lawyers said. The constitution guarantees all Germans equality under the law.

Judge Wagner and his four colleagues in Superior Court here did not accept this argument in their verdict, which took three and a half hours for the judges to read out as Mr. Wolf listened and sometimes dozed.

If the architects of German unification had intended amnesty for East German espionage officials, the verdict said, they would have written it into the treaty that brought the East into Bonn's Federal Republic of Germany three years ago.

Firmly rejecting Mr. Wolf's contention that his was a political trial to show who had won the Cold War, Judge Wagner said he had encouraged, paid and instructed notoriously successful spies in Bonn and Brussels to commit treason against the Federal Republic before unification, and thus was guilty of it as they had been.

The cases that the court said proved this were those of Ginter Guillaume, the infiltrated East German agent whose discovery in 1974 precipitated Chancellor Willy Brandt's resignation; Alfred and Ludwig Späthler, convicted of providing defense intelligence secrets to East Berlin in the 1970s; and Rainer Rupp, a senior German official at North Atlantic Treaty Organization headquarters in Brussels who was only discovered there last summer.

All of them, the court said, had betrayed defense secrets that Mr. Wolf had passed on to Moscow, causing severe damage to German security interests.

In seven other cases, the court said, Mr. Wolf's foreign intelligence agency paid stipends or retainers to Bonn government employees or civil servants who spied for him for money, and his judges found him guilty of bribery.

The prosecution had asked for a seven-year sentence, and the judges said the maximum would have been 15.

"It is understandable, given his background, that he saw in the German Democratic Republic the better German state," the judges' verdict said, "though it is hard to imagine that a man of his intelligence did not recognize what kind of regime he was serving."

Prosecutors had also asked for Mr. Wolf's \$150,000 bail to be revoked when the trial ended last month. To avoid imprisonment, he had left Germany just before unification in October of 1990 and was briefly arrested when he returned voluntarily a year later. The judges said his conduct since then gave them no reason to think that he would flee now.

"I won't do the prosecutors that favor," Mr. Wolf said.

He did not dispute most of the particulars in the case, and said when the trial began last May that the court could spare itself the trouble of calling 50 witnesses to prove that he ran the East German intelligence service, that he often met with his agents, and that they were remarkably successful at prying out secrets.

That, he said, was his job while he served a country that Bonn recognized diplomatically from the early 1970s until its demise, but it did not make him guilty of treason to the Federal Republic.

## WORLD BRIEFS

### New Drug Shows Hope Against AIDS

HOUSTON (Reuters) — A drug made of a protein segment found in the AIDS virus that allows it to penetrate healthy human cells has blocked the virus from expanding in tests on healthy cells outside the body, a study released Monday found.

Researchers at the University of Texas M.D. Anderson Cancer Center said the research may point toward a treatment for AIDS, according to results reported in the November issue of the Journal of Virology. Dr. Jagan Saxray, an assistant professor at the center who led the study, said, "Our discovery may lead to a more effective treatment because it blocks HIV from ever entering the cell and prevents it from spreading."

Researchers said they will seek U.S. Food and Drug Administration approval to begin testing on humans. The new approach differs from therapeutic methods currently under development because other approaches are largely based on treating patients with antiviral drugs such as AZT to block an early step in the virus's life cycle. Instead, the Anderson research has found a way to use the protein segment that attaches to the healthy cells to create a buffer that can prevent the spread of the virus.

### Gunmen Slay Senior Algerian Judge

ALGIERS (AP) — Gunmen killed a senior judge Monday in Oran and wounded two policemen guarding a night school for foreign students in Algiers, the latest in a wave of attacks by Islamic militants.

Rouzi Lakhder, chief judge in the western coastal city of Oran, was the sixth judge killed since May. Three others have been wounded. Court officials said Mr. Lakhder was hit by several bullets fired by three attackers near his home in Oran.

### Clinton Sees Little Change in Cuba

WASHINGTON (Reuters) — President Bill Clinton said Monday that Cuba had made very modest changes in its policies but they were not sufficient for better relations with the United States.

"The United States believes that the pressures we have brought to bear on Cuba are responsible in large measure for the very modest openings that we've seen coming out of Cuba with regard to travel and assets and a few other things," Mr. Clinton said at a press conference with Prime Minister Felipe Gonzalez of Spain. "I see no indication that the nation is — or that the leadership, the Castro government — is willing to make the kind of changes that we would expect before we would change our policy," he said.

### Head of French State TV Steps Down

PARIS (AFP) — The left-leaning chairman of France's two state-controlled television channels, Hervé Bourges, announced Monday he was quitting the job, leaving it up to the center-right coalition government to replace him with a candidate of its own.

Mr. Bourges, 60, said he would not stand for a second three-year term as head of France-Télévision when his mandate expires Dec. 18, even though he would have liked to.

He said France-Télévision, the authority that manages the state-controlled channels, France 2 and France 3, needed a chairman who enjoyed the "full confidence" of the state.

## TRAVEL UPDATE

### Commuter Air Travel Is Picking Up

WASHINGTON (AP) — Commuter aircraft are far safer and popular than they used to be, but they are five times more likely than larger airlines to have a fatal accident, according to government statistics.

The small planes are the fastest-growing part of the airline industry. As major carriers abandon small airports and short-haul routes to save money, regional airlines are stepping in with turboprops. Like the one that crashed last week in Minnesota killing all 18 people on board.

Commuter planes are a third less likely to be involved in an accident as they were in the 1970s when the industry was deregulated. But there were seven fatal crashes involving the smaller planes last year, a rate of 0.243 per 100,000 departures. The rate for larger airlines was 0.050. Twenty-one people died in commuter accidents last year, compared to 33 in larger planes, which fly far more miles and carry far more passengers.

Northwest Airlines is cutting domestic fares for the holiday period by up to 30 percent starting Monday. The sale fares, good for travel within the continental United States from Dec. 13 to Jan. 5, must be purchased at least seven days in advance and no later than Saturday. The discounts are not available for travel Dec. 23-24 and Jan. 2, Northwest said Sunday. Sample fares are \$219 each way between Boston and Los Angeles and \$99 each way between Memphis and Chicago. (AP)

China has stepped up airport security to guard against hijackings, the Guangzhou Evening News reported. Security personnel have been opening and inspecting all luggage at airports across China, said Yang Chengling, deputy chief of security for the Civil Aviation Administration of China. Previously only 20 percent of luggage was inspected. (UPI)

One in five Britons fear to visit the United States because of violence or robbery, according to a survey. The Home & Overseas Insurance Co. found that the United States scored 13th out of 42 countries. Bosnia scored highest in the "fear" rankings with 86 percent of those asked saying they would not go there. Iraq was second with 80 percent. (AP)

Britain and Latvia signed an air treaty Monday allowing scheduled flights between the two countries. Another treaty permitting coach tour operators to run services between the two countries without permits was also signed in London, the Ministry of Transport said. (Reuters)

French rail unions called a nationwide stoppage for Thursday to protest personnel cuts in the state railroad company, SNCF. Communist union members, as well as employees of the company's parcel-delivery service, are expected to obey the strike call. (Reuters)

### BOSNIA: The Road to Stalemate

**Continued from Page 1**

is suffering because they, too, realize that nobody could win this war."

The Bosnian Croat forces to the east, which were nominally allied with the Bosnian Army and which began a breakthrough movement in May, number 30,000; they could be backed up by 5,000 reinforcements from Croatia. They have about 50 tanks, General Divjak said, and are supported by helicopters.

But he said that the Croats were hampered by poor organization and that their morale was low.

■ 5 Die in Sarajevo Shelling

Shells fired by Serbian forces hit a crowded outdoor market in central Sarajevo and other areas of city on Monday, killing 5 people and wounding 26 others, The Associated Press reported from the Bosnian capital.

It was the heaviest shelling in more than a week and followed by a day the first infantry clashes in weeks between Serbian forces besieging Sarajevo and the Bosnian Army.

Sixteen of those wounded were hit at the market area, hospital officials said, which was crowded with people shopping and trading for food, cigarettes and clothing.

Serbian shells also fell on western parts of the city.

Fog and ice virtually shut down the international airport, the mainstay for Sarajevo's 380,000 residents, for a second consecutive day on Sunday.

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**Herald Tribune**

155 من الأصيل



# STATESIDE / CALMING THE DOCTORS

## Ease Criticism of Health Plan, Medical Group Tells Members

By Robert Pear  
New York Times Service

**NEW ORLEANS** — Top officials of the American Medical Association have appealed to doctors to show restraint in criticizing President Bill Clinton's plan to overhaul the U.S. health care system, even as members of the group vowed to seek major changes in the proposal.

At a meeting that displayed the group's divisions over tactics and strategy, Dr. Joseph T. Painter, president of the association, said Sunday that doctors should seek answers, not adversaries.

And Dr. James S. Todd, executive vice president of the association, said, "We want to make policy, not politics."

"We have everything to gain and, oh, so much to lose if we start drawing lines in the sand while the ship of reform is still at sea," Dr. Todd told more than 500 doctors at the semiannual meeting of the group's policy-making body, the house of delegates.

But association leaders found anxiety, frustration and discontent among the members. Several state delegations, including those from New York, Florida, Indiana, Virginia and Texas, said the group should re-examine its support of a proposed measure that would re-

quire employers to provide health insurance for their employees.

President Clinton's plan, like a medical association policy adopted in 1990, endorses such a requirement, known as an employer mandate. But some doctors, echoing Republicans and conservative Democrats in Congress, are now suggesting that such a requirement may be unwise.

Dr. Ed L. Calhoun, a general practitioner from Beaver, Oklahoma, said association policy on this issue was misguided. "Employer mandates will drive many small companies out of business," he asserted.

By contrast, Dr. Rebecca J. Patchin, an anesthesiologist from Orange County, California, said she supported an employer mandate as the only way to achieve insurance coverage for all.

American Medical News, the organization's weekly newspaper, said this week that there was a serious split in the association because "it represents an impossible diverse membership with conflicting economic interests."

As a result, it said, the association and other medical societies have sent mixed signals to the White House and Congress. While endorsing President Clinton's goal of health insurance coverage for all

Americans, the association has harshly criticized many of the proposed means to that end.

The trustees of the group on Sunday affirmed their desire to be "a constructive agent of change," working closely with the White House.

But at the same time, the trustees denounced Mr. Clinton's proposal for government regulation of health insurance premiums. They said that participation in Mr. Clinton's "health alliances" should be voluntary, not mandatory. They objected to the White House proposal to set quotas for the training of medical specialists, and they expressed disappointment with Mr. Clinton's proposals on medical malpractice suits.

A poll of doctors sponsored by the association found strong support for the proposition that all Americans should have health insurance and that no one should be denied coverage because of unemployment or prior illness.

But 44 percent of doctors said they had a negative reaction to the Clinton proposal, while 22 percent expressed a positive reaction and 32 percent were neutral. The survey of 400 doctors, interviewed by telephone from Oct. 27 to Nov. 10, had a sampling error of plus or minus 5 percentage points.



**TALENT TIME** — President and Mrs. Clinton applauding the five recipients of the 1993 Kennedy Center Honors during a White House reception. From the left they are Marion Williams, the gospel singer; Stephen Sondheim, composer and lyricist; Sir Georg Solti, the conductor and recently retired music director of the Chicago Symphony Orchestra; Arthur Mitchell, founder of the Harlem Dance Theater, and Johnny Carson, who recently quit after 30 years as a talk show host.

### POLITICAL NOTES

#### Traffic Gets Heavy in Virginia Senate Race

**RICHMOND, Virginia** — Virginia voters do not much like their choices in next year's U.S. Senate race, which include a senator, a governor and a famous former Marine. So the candidates' list keeps growing as other hopefuls jump into what could become the country's hottest Senate race.

Senator Charles S. Robb, a Democrat, is seeking re-election after a first term marred by a federal grand jury investigation and reports that he attended drug parties while he was governor and had an affair with a beauty queen, L. Douglas Wilder, the outgoing governor and Senator Robb's longtime nemesis, is opposing him.

On the Republican side, Oliver L. North of Iran-contra fame, now retired from the Marine Corps, has more name recognition than two other contenders, former U.S. Attorney Jay Stephens and a former Reagan budget chief, Jim Miller.

But Senator Robb, Mr. Wilder and Mr. North are all viewed unfavorably by about half of voters, according to a September poll by The Washington Post.

Senator Robb, once politically powerful, may face still more rivals from within his party. The landslide gubernatorial victory by George Allen, a Republican, over Mary Sue Terry, a Democrat and Robb ally, has emboldened other Democrats.

"We have a senator and a governor who cannot speak to each other," said Sylvia Chase, a lawyer seeking the Democratic nomination. "I'm concerned they will cancel each other out and make Oliver North the best senator from Virginia."

Dan Akorn, a lawyer and party activist exploring his own bid, adds, "It would be very difficult for either Robb or Wilder to defeat Oliver North." Mark Warner, the state Democratic chairman, has not ruled himself out. Party activists think a former governor, Gerald L. Baliles, could be drafted if Senator Robb withdraws. (AP)

#### Sore Back Puts Clinton's Jogging on Hold

**WASHINGTON** — President Bill Clinton, who tries to jog nearly every day, came up lame last week and has sidelined, the White House spokeswoman, Dee Dee Myers, said Monday.

She said Mr. Clinton's back problem resurfaced after running last Wednesday. "Thursday it was quite sore. Every day it gets better," she said.

Mr. Clinton, who is 47, appeared to favor his back Thursday, easing himself in and out of a chair during a public appearance. Ms. Myers said the president has taken over-the-counter painkillers, but she did not think he had seen a doctor.

"This happens to him once a year or so," she said. (AP)

#### Deadlock Hardens on Diplomatic Postings

**WASHINGTON** — Senator Harlan Mathews is not backing down in his dispute with career Foreign Service staff over how ambassadors are chosen. The Tennessee Democrat renewed last month when career officers objected in Senate Foreign Relations Committee testimony to the appointment of a San Diego hotelier, M. Larry Lawrence, to Switzerland — and to the U.S. tradition of giving ambassadorial posts to big campaign contributors.

When the Senate, based on that testimony, put Mr. Lawrence and three other noncareer choices on hold until January, Senator Mathews fired back. He put a hold on a routine promotion list of 26 officials at the Agency for International Development.

Capitol Hill and Foreign Service people thought that was dirty pool and violated the First Amendment rights of career employees.

Senator Mathews said the constitution gives the president the right to nominate anyone he wants and that it is "absolutely ludicrous that the public pays people to sit there in judgment of potential competitors" for those jobs.

"I wanted to call attention to the fact that we had an operation at the State Department that is contrary to the president's prerogatives. I'm willing to cooperate," he said, noting that he had picked on the shortest promotion list he could find.

"But until those four people are cleared," he said, his counter-hold will stick. (WP)

#### Quota/Unquote

Hillary Rodham Clinton, unveiling the White House Christmas decorations and revealing a reservation about the holiday season: "The big question mark for us is how are we going to go Christmas shopping? That we haven't worked out." (AP)

## Justices Allow Scouts to Reject Boy Who Refused 'Duty to God' Pledge

**WASHINGTON** — The Supreme Court on Monday allowed the Boy Scouts of America to exclude a 10-year-old boy who refused to acknowledge the "duty to God" phrase contained in its pledge.

The justices, without comment or dissent, let stand a ruling by a U.S. appeals court in Chicago that the Boy Scouts were not covered by a federal law barring religious discrimination and thus could refuse to admit the boy.

It said the Boy Scouts were a private club that could set membership requirements, such as a belief in God.

The court noted such a belief was one of the three founding principles of the scouts.

Since its founding 86 years ago, the Boy Scouts has required potential members to recite an oath that includes a pledge to "do my best to do my duty to God."

But Elliot Welsh of Hinsdale, Illinois, wrote on a 1989 application for the Tiger Cubs program that he could not agree that his son, Mark, recognize an obligation to God. Both are agnostics.

The appeals court, in a 2 to 1 decision in May, said the Boy Scouts did not constitute "a place of public accommodation" required to admit atheists or agnostics.

The ruling upheld a federal trial judge's decision that the Boy Scout troop can decide to bar the boy from joining.

Richard Grossman, an attorney for Mark Welsh and his father, then appealed to the Supreme Court to review the case, saying an

### Away From Politics

- A 15-year-old boy admitted he had fatally shot his stepgrandmother and pregnant half-sister after an argument, authorities in Harris County, Texas, said.
- Judith S. Rodin, 49, provost of Yale University, has been nominated as the University of Pennsylvania's next president and the first woman to head an Ivy League institution. She would succeed F. Sheldon Hackney, who was appointed to head the National Endowment for the Humanities.
- A tractor carrying a Christmas float with senior citizens slid out of control on a rain-slicked hill and hit a telephone pole, injuring 10 people in Beckley, West Virginia, most of them in their 70s. The float had just won the blue ribbon in a Christmas parade.
- A memorial service for 586 people washed from their graves marked the end of one of the grisliest chapters in Midwest flooding last summer. Several hundred people attended a reburial ceremony for those flooded out of a cemetery in Hardin, Missouri.

important civil rights law had been wrongly interpreted.

Although the Boy Scouts won in the lower court, its attorneys took the unusual step of also urging the justices to decide the dispute, saying definitive guidance from the high court was needed.

They noted that a judge in California had required the Boy Scouts to admit two boys who did not believe in God and that a number of other, similar court cases were pending across the country.

"There are limits on the financial and administrative capacity of any volunteer organization to litigate these cases in forum after forum," an attorney for the Boy Scouts, George Davidson, said in asking the Supreme Court to settle the issue.

But the high court, in a one-line order, refused to get involved.

## Trapping an E-Mail Snoop Reporter, Caught in Sting, Loses Moscow Job

**By Calvin Sims**  
New York Times Service

**LOS ANGELES** — In a stunning example of growing concern over technology and privacy in the workplace, the Los Angeles Times has recalled a foreign correspondent from its Moscow bureau for snooping into the electronic mail of his colleagues.

The correspondent, Michael Hiltzik, who joined the Times' Moscow bureau in August, is being reassigned to an undetermined position in Los Angeles as a disciplinary action, editors and reporters at the newspaper said.

"Although computer experts have warned that the proliferation of electronic mail throughout corporate America poses a threat to employees' privacy, Mr. Hiltzik's reassignment is one of the few times that such a high-ranking employee has been disciplined for reading his co-workers' electronic mail."

Electronic mail systems, known as e-mail, allow employees to send electronic messages, either personal or work-related, to each other via computers.

A few companies have taken great steps to protect the privacy of such messages, which typically require a password to retrieve. At some companies, reading another person's electronic mail is a violation of corporate ethics and may result in dismissal.

Privacy experts say, however, that many companies do not have adequate safeguards to prevent employees from determining the passwords of co-workers and gaining access to their electronic mail. And some companies reserve the right to monitor electronic messages to keep tabs on their employees.

Computer security managers say most people who illegally access a company's computer system do so by guessing or stealing a co-worker's password.

They said such access posed the biggest threat to a company. They noted that other ways of illegally accessing a company's computer system made up far less than half of all break-ins.

Calls made to the Los Angeles Times Moscow bureau were referred to the paper's foreign desk. Editors of the Times declined to comment.

In addition to Mr. Hiltzik, the Times lists three other Moscow correspondents on the masthead of its World Report section: Richard Bonczar, Sami Efron and Carey Goldberg.

A Los Angeles Times senior editor said that the decision to recall Mr. Hiltzik came after he was caught reading the electronic mail of another Moscow correspondent in a sting operation set up by the paper.

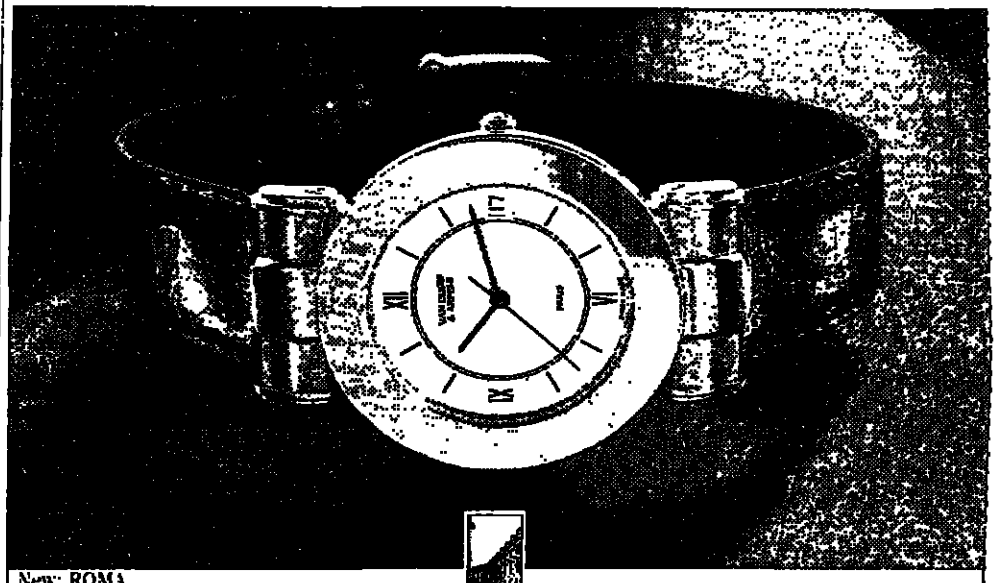
Mr. Hiltzik could not be reached for comment.

Correspondents in The Times Moscow bureau became suspicious when they discovered that their passwords had been entered into the computer system at times when they had not been using the computer, journalists close to the bureau said. The newspaper's computer system keeps a record of each time an employee uses his password to log onto the system.

In the paper's sting operation, two electronic messages containing false information were sent from a correspondent in the Times' Jerusalem bureau to a correspondent in the Moscow bureau. Mr. Hiltzik intercepted those messages and later inquired orally about their content at the Moscow bureau, the journalists said.

The false information involved the sudden transfer of a Times foreign correspondent and a reduction in the amount of time that correspondents would be allowed to travel around the country they are to report on before they officially start work.

It could not be learned exactly how Mr. Hiltzik obtained the passwords necessary for him to gain access to his colleagues' electronic mail.



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### King Faisal International Prize

AN INVITATION TO SUBMIT NOMINATIONS FOR THE 1995 KING FAISAL INTERNATIONAL PRIZE FOR MEDICINE AND SCIENCE

The General Secretariat of the King Faisal Prize is pleased to invite Universities and Medical Scientific Societies and Research Centers throughout the world to nominate qualified candidates for:

The King Faisal International Prize in Medicine in the topic of: **MOLECULAR IMMUNOLOGY**

and

The King Faisal International Prize for Science in the topic of: **CHEMISTRY**

Nominations should meet the following requirements:

1. Nominees must have accomplished outstanding academic work in the prize topic, benefiting mankind and enriching human progress.
2. Submitted work must be original and published.
3. Nomination should include:
  - a) letter of nomination from a nominating body;
  - b) typed current CV detailing the nominee's academic background and experience and listing all published works;
  - c) seven copies of each nominated work;
  - d) three recent color photos;
  - e) the nominee's office and home mailing addresses, including telephone, telex and fax.
4. Nomination will be evaluated by the Selection Committee.
5. More than one person may share the Prize.
6. The nomination will not be accepted if:
  - a) it is by individuals or political parties;
  - b) it does not meet all the prize conditions.
7. The Prize consists of:
  - a) a certificate in the winner's name containing an abstract of the works that qualified him/her for the prize;
  - b) a gold medal;
  - c) a sum of (SR 350,000) three hundred and fifty thousand Saudi Riyals, (approximately US\$93,000).
8. The winner(s) name(s) will be announced in January 1995, and the prize will be awarded in an official ceremony later in the year.
9. The latest date for receiving the complete nomination requirements will be September 1, 1994.
10. No nomination papers or works will be returned to the senders, whether or not the nominee is awarded the prize.
11. Nomination should be sent by registered airmail to:

The General Secretariat, King Faisal International Prize  
P.O. Box 22476, Riyadh 11495, Kingdom of Saudi Arabia  
Tel: 4652258 / Tlx 404667 PRIZE SJ / Fax: 4659685 / Cable: JAEZAH

## SPACE: Replacement of Hubble's Solar Panels Is Called a 'Piece of Cake'

Continued from Page 1

...focusing light properly. Early Tuesday morning, Dr. Story Musgrave and Dr. Jeffrey A. Hoffman were to venture out to the Hubble, stowed in the shuttle cargo bay, to install an upgraded model of the telescope's primary camera incorporating improved sensing electronics. This operation had been planned even before the mirror anomaly was discovered. In response to that problem, the wide-field-planetary camera was outfitted with sets of mirrors that are to serve like prescription eyeglasses.

The camera mirrors have an error precisely opposite to the one in the primary mirror, which is the way eyeglasses are ground.

Since more than half of Hubble's observations are made with this camera, installing a new one with corrective optics is the momentary astronomers have been anxiously awaiting for months.

Reflecting the growing excitement among astronomers, Dr. Edward J. Weiler, the chief Hubble scientist, said that installing the new camera is "truly the measure of success for the mission."

It may be six to eight weeks before engineers are able to test and calibrate the camera operation. If that is successful, the next step is, astronomically speaking, to improve optics by concentrating light more efficiently to enable light from objects 10 to 15 times fainter than anything now visible with Hubble. This should extend the telescope's range from about 4 billion light-years to more than 10 billion.

Astronomers would be doubly happy if, on a scheduled space walk on Wednesday morning, Dr. Kathryn C. Thornton and Lieutenant Colonel Tom Akers of the air force are able to insert an even more innovative device in a module of the telescope's instrument unit. This is a piece of equipment about the size of a telephone booth and called Costar, for Corrective Optics Space Telescope Axial Replacement.

The \$50 million Costar includes a set of mirrors, each the size of a quarter, that should correct the effects of Hubble's faulty vision for three other scientific instruments — the faint object camera, the faint object spectrograph and the high-resolution spectrograph. If this unit functions as planned, it would mean that all the Hubble's observational instruments would be receiving more tightly focused light and thus would be capable of much more detailed studies of stars, galaxies and other cosmic wonders.

If their first space walk is any indication, Dr. Thornton and Colonel Akers should have no trouble installing Costar.

With Claude Nicollier, an European astronaut, at the controls in the cabin, the shuttle's 50-foot mechanical arm lifted Dr. Thornton and eased her over to the side of the 125-ton Hubble. Her first task was to jettison the damaged solar panel.

In operations the previous day, ground controllers could not roll up the panel completely for return to Earth, as planned, because its metal frame was twisted.

As Dr. Thornton waited from her perch on the robotic arm, Colonel Akers disconnected the solar panel from the Hubble's side. Dr. Thornton grabbed the partly rolled panel of metal and thin fabric by a handle she had earlier fastened to the device.

She lifted the 350-pound (158-kilogram) panel and then released it with a slight shove. As it drifted off, the shuttle was moved off to a safe distance.

As the array and the shuttle separated 360 miles (580 kilometers) out in space, Dr. Thornton said, "Holy moly, piece of cake."

Hubble ground controllers at the Goddard space center confirmed that both of the new solar arrays were electrically alive and well. They are to be unfurled after the final space walk, scheduled for early Thursday.

"Another great day," Milt Heflin, the chief flight director, said after the space walk.

## Judge Dismisses Fraud Charge Against Senator

**The Associated Press**

**ST. PAUL, Minnesota** — A federal judge dismissed a criminal indictment Monday charging Senator David F. Durenberger, Republican of Minnesota, with falsifying his expense accounts.

District Judge Warren Urbom ruled prosecutors improperly used congressional records to build their case against the senator, who was accused of billing taxpayers for stays at a condominium he owned.

The judge said the government's use of the reports was unconstitutional.

"I consider it a pretty big victory," said Rick Evans, Mr. Durenberger's chief of staff. For Mr. Durenberger to be indicted again, another grand jury would have to be impeached, he said.

The judge dismissed the indictment without prejudice.



Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Fresh Start for Russia?

In elections next Sunday, President Boris Yeltsin is hoping that Russia's voters will support his new constitution and send his backers to parliament. One might hope for a little more: the election of new leaders to parliament and regional councils who are determined to keep Russia on the road to democracy.

Jobs: Working at It

Bill Clinton, who campaigned on the promise of providing more jobs for Americans, is coming full circle as he points his administration toward its second year.

The AIDS Conundrum

In the heat of the presidential campaign last year, Bill Clinton asserted: "When it comes to AIDS, there should be a Manhattan Project."

Other Comment

Choice for Taiwan's Voters
In the run-up to Taiwan's recent elections, the polls and pundits were predicting catastrophe for the Kuomintang, or KMT.

Why to Worry About Russia's Elections

By Brian Beedham

LONDON — But eastward, look, the land is dark. Or, not to misquote the 19th century poet Arthur Hugh Clough too bleakly, let us say that Europeans peering eastward this week find little for their comfort in what they see.

The new parliament may not be able to mobilize the country around reform.

to be more rugged — for the Russians themselves, and for the world around them — than the optimists had expected.

Politics and Diplomacy of Streamlined Deterrence

By Jim Hoagland

PARIS — Nuclear strategy remains a touchstone in America's relations with Europe and Asia.

PARIS — Nuclear strategy remains a touchstone in America's relations with Europe and Asia. Here in France, the nuclear establishment has been unsettled by the Clinton administration's decision to push for a global ban on nuclear weapons testing within three years.

Here and There, the Righteous Don't Like to Learn

By William Pfaff

PARIS — Bill Clinton met Salman Rushdie at the White House at the end of November "to make the point that... freedom of speech includes especially the willingness to respect the rights of people who write things we do not agree with."

Retire 'Politically Correct'

By Brent Staples

NEW YORK — The logician and philosopher Charles Sanders Peirce was maddeningly precise in his use of language.

change of political beliefs. No wonder that all sorts of Russians, whatever else they disagree about, should have joined in this reassertion of the right to be a country that people take their hats off to.

But again, this is a cause of alarm to the rest of Europe. So far, both Europeans and Americans have been markedly reluctant to criticize Mr. Yeltsin for what he does either at home or abroad, because he is assumed to be at bottom a reliable friend of the West.

No Denying The Deaths In El Mozote

By Anthony Lewis

BOSTON — Once in a rare while a writer re-examines a debated episode of recent history with such thoroughness and integrity that the truth can no longer be in doubt.

Mr. Danner's subject was the massacre in December 1981 in the Salvadoran village of El Mozote. Over the years politicians and journalists have differed bitterly about what happened there — who did the killing, indeed whether there was a massacre at all.

ability needed to make that argument.

President Clinton began that process in July when he extended a congressionally mandated moratorium on American nuclear testing while reserving the right to resume testing if other powers did.

But a big-power accord that limits testing to truly exceptional circumstances — or eliminates it altogether if computer simulation works as well as its advocates hope — will provide a solid base for maintaining nuclear arsenals in Western democracies beyond the Cold War.

The Washington Post.

It is a product of the intellectual evolution of Western civilization. The great philosophical innovators and tragedians of Western antiquity, the theologians and metaphysical debaters of medieval Europe, the philosophical and revolutionary thinkers of the Enlightenment in North America as well as Western Europe have all made their contributions to this.

It is not an evolution that has taken place inside Islamic civilization, even though there obviously are many individuals within the Islamic tradition who have adopted the essentials of this Western position.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: He Wore Petticoats

PARIS — A café waiter appeared before the Paris Police Court yesterday [Dec. 6] on the charges of wearing feminine costume and of felony.

1918: 'The Next War'

PARIS — The German army has been completely defeated, but it has escaped from the catastrophe from which nothing but an armistice could have saved it.

The killers were from the U.S.-trained Atlacatl battalion. Their commanders, making a drive through territory where rebel forces had been, decided to kill everyone on the theory that the local population has nurtured the rebels.

A month after the massacre, in January 1982, guerrillas guided two reporters and a photographer to El Mozote: Raymond Bonner of the New York Times, Alma Guillermoprieto of the Washington Post and the photographer Susan Meiselas.

Reagan administration officials denounced the massacre reports as false. The editorial page of The Wall Street Journal attacked the reports as "credulous" victims of Communist propaganda.

After the newspaper stories, the U.S. Embassy in San Salvador sent two men to investigate the alleged massacre: Todd Greenlee, a young embassy official, and a marine major, John McKay. They got to within a few miles of El Mozote, but the Salvadoran government forces taking them would go no farther.

Both men were convinced, however, from talks with refugees nearby, that something terrible had happened. Major McKay told Mr. Danner that he could feel "this tremendous fear."

But they had no firsthand evidence, and that was what the embassy cable to Washington said: "No evidence could be found to confirm that government forces systematically massacred civilians."

The U.S. ambassador to El Salvador, Deane Hinton, called the State Department on Feb. 19, 1982, and his views should not be distorted — that though he had no confirmation, he did think "something happened" in El Mozote.

Some of the Americans who denied the massacre have come to regret their actions and said so. Others, politicians and editors, have been repentant. I hope they will read Mr. Danner's report. They might try to read aloud, to their families, the passages about the killing of the children of El Mozote.

The New York Times.

was made the Allies were about to launch the stupendous blow that would have meant the annihilation of a fighting body, of the German armies. The immense American force was just on the point of being brought into play in its entirety when Germany surrendered — to save her army organization for "the next war," of which General von Freytag-Loringhoven was writing so frequently.

1943: Big Three Agree

CAIRO — [From our New York edition] After four days of intensive, intimate and frank discussions held in the walled compound of the Soviet Embassy at Teheran, capital of Iran, President Roosevelt, Premier Stalin and Prime Minister Churchill had agreed on the scope and timing of military operations to be undertaken from the east, west and south to crush Germany. The agreement was contained in a joint declaration that holds high promise of bringing to the world a long period of peace.

International Herald Tribune
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OPINION

# Nixon, That Old Warrior, Looks for New Challenges

By William Safire

PARK RIDGE, New Jersey — There's a story behind every one of those ornaments," said Richard Nixon, looking more robust than he has in years, showing me the Christmas tree in his home. Lest sentiment intrude, he quickly turned to the purpose of my annual visit: a review, parts on the record, of what is ahead.

Stacked on his desk is the manuscript of his latest book. On the 20th of next month (the 25th anniversary of his first inaugural address), the 37th president, who will then be 81, will bring out "Beyond Peace." The theme of this 150-pager — likely to be his eighth nonfiction best-seller, a publishing record — is: "After peace breaks out, we usually have periods of stagnation; we must find challenges as stimulating as war."

Mr. Nixon, in his nonpartisan years, has not lurches leftward; "When the rest of the world is turning away from big government, we shouldn't be turning toward it. The problem with 'reinvigorating government' is that they want government to be doing better the things that government shouldn't be doing in the first place."

He hopes that Bill Clinton keeps his centrist NAFTA coalition together, dropping the McGovernite left over the side. But do voters really care about foreign economic policy? That's not the point: "The public's interest in NAFTA was not in the issue, but in the battle."

Although the battlefield on which Mr. Clinton feels most at home is domestic affairs, Mr. Nixon — the old Moscow summit — thinks that this president should not hesitate to share what he has recently learned in the NAFTA fight with Boris Yeltsin at next month's Moscow summit. "Clinton could give Yeltsin good counsel," says Mr. Nixon. "on how

to deal within a multiparty system. It's the kind of hard-earned advice that Yeltsin can use now."

Can we help relieve the tension building between Russia and Ukraine? "Our line to Ukraine should not be to deal with them just because they have nuclear weapons, but because they have 55 million people and you don't want a rogue state." He is high on Ukraine's Leonid Kravchuk, and thinks that the United States could be a broker in the delicate nuclear disarmament.

Mr. Nixon has urged Mr. Yeltsin to press ahead on privatization. "To paraphrase Churchill, the free market is the worst economic system except for all the others. But the central question in Russia is: Can democratic capitalism provide progress better than Communist capitalism, the kind they have in China?"

He gave me a mock-suspicious look. "Weren't you the one who put me up to saying 'We are all Keynesians now'? Well, we are all capitalists now. If democratic capitalism fails in Russia, that will be water on China's wheels." That is why America should encourage reform, a movement greater than individual reformers, in Russia.

What about India, a democratic nation where capitalism is lagging? "India, which will be more populous than China in the next century, must ask itself this question: Can democratic socialism compete with Communist capitalism?"

To pose the question is to answer it — only capitalism, however modified, can compete with capitalism — but I had never heard it posed before.

Mr. Nixon is too much the pragmatist on China, preferring quiet diplomacy and bonds of trade to public pressure on human rights. "Economic freedom will open up any closed society."

But his newer theme is: "There isn't any Third World anymore. Only two worlds, rich and poor. Wealth divides China, East and West Europe, the north and south nations."

On hot-button issues at home, he remains progressive. Abortion: "The state should stay out; don't subsidize and don't prohibit." Gun control: "I'd go further than the Brady bill. Guns are an abomination." (From this I deduce he is not running in '96.)

On television violence: "Hollywood thinks America is sick — huh! They're the sick ones." He is against the balanced budget amendment — "a meat ax when you need a stiletto, but it'll probably pass" — and in favor of term limits: "Incumbents have asked for it."

Assessments of the Clinton presidency and the Republican field, as well as his views on initiatives on health, education and welfare, await appearances at publication time. For now, it is inspiring to see the old warrior using every minute as a golden bullet, staying well by staying productive — never, never quitting.

The New York Times.

## Credibility Suffers

THE CLINTON administration does not merely regard foreign policy as secondary to domestic renewal but in fact holds it in contempt. A huge demotion job on American international credibility is in progress.

On issue after issue — Bosnia, Somalia, China, Haiti — there has been a cavernous gap between the administration's soaring rhetoric and its much more judicious actions.

The United States has emerged as perhaps the most unpredictable nation in the world community. Keeping your opponent guessing may be good tactics on the football field, but it is thoroughly undesirable in the international arena.

Predictability does not mean no change. But change should be executed through a directed, honest process, not a cynical and haphazard sleight-of-hand.

Jonathan Clarke of the Case Institute in Washington, in the Los Angeles Times.



## LETTERS TO THE EDITOR

### Croatia and Its Symbols

Regarding "Bad Memories of Croatia" (Opinion, Nov. 16):

The editorial puts the realities and myths about the leadership of present-day Croatia in perspective.

Not all Croats are ideologues but enough are in present-day Croatia to make it an uncomfortable neighbor. The pseudo-religious attributes of these ideologues' rhetoric, their anti-intellectualism, the violence and murder from which the particular psyche of the old and even the young Ustashe has been created, are more than a little disturbing. The present-day leadership of Croatia is turning the clock back.

VANITA SINGH, New Delhi.

The editorial says that "Croatia's new coat of arms closely resembles the symbol of the Ustashe state," the Nazi puppet entity of the last war.

Please note that the coat of arms of Croatia was first used in 1527, and was used uninterruptedly for more than 450 years. After World War I, the Kingdom of Serbs, Croats and Slovenes (later to be called Yugoslavia) had this symbol as part of a national coat of arms.

TATIANA THALLER FORMER, New York.

Waste in the EC

Regarding the report "EC Audit Alleges \$130 Million in Waste" (Business/Finance, Nov. 17):

I came to Europe two months ago, to look, like Diogenes, for an honest per-

### A Reaffirmation of Faith

Regarding "The Kennedy Myth: How Has It Survived So Long?" (Opinion, Nov. 22) by Tom Wicker:

Mr. Wicker concludes, "As between disillusionment and legend, Americans have chosen legend — as if to hold in memory their own sense of themselves and their country as they most wished them to be, as they used to believe they were." The implication is that the choice has been myth over truth. I want to say that Americans are right to hold those memories, because the vision that President Kennedy gave us is the way Americans really are — under all the hype, materialism and distraction. The clinging to JFK is not a sign of delusion. It is the reaffirmation of an old faith.

RICHARD M. HELLER, Monaco.

### Who's Whining?

Regarding "A Whining Clinton and Two Others" (Opinion, Nov. 23) by William Safire:

Bill Clinton whining and thinking? This guy has endured the grimmest start of any president in living memory with, it seems to me, admirable stoicism. If some bitterness now wells up, who can blame him?

Don't we all remember the "media biggies" writing him off once he was inaugurated? Then came endless stories about haircuts, "Travelgate" and management problems at the White House.

In fact, when I saw the article the other day showing that Mr. Clinton had the best record of legislative achievement of any president since 1953, I could not avoid the thought that the press had missed the story yet again.

ELIZABETH CSICSERY-ROXAY, Brussels.

### Big Bird

Regarding David Metzler's review of "Jazz: The American Theme Song" by James Lincoln Collier (Books, Nov. 23):

It is an unforgivable outrage to connect the term "sociopath" with Charlie (Bird) Parker! This gentle, generous force, for reasons all too sadly familiar to his era, became self-destructive. However, living about a third as long as Stravinsky or Picasso, Charlie Parker was one of the greatest and most influential artists of this century.

ALAN DAVID SHEAN, Dun, France.

# Reporting to Bobby, 12, On a Suddenly Real War

By John K. Cooley

NICOSIA — It was not a very cold Dec. 7, that Sunday in Mount Vernon, New York, barely a stone's throw from Eastchester Creek.

On that day, only a shade past my 14th birthday, I wasn't out poking around the hibernating dogwood along the creek, as I often did, nor was I setting out on my new bike for Pelham Manor. It was a particularly gray and

But until the electrifying day of Pearl Harbor, the news had, after all, been from Europe — a foreign world, far away, scarcely imaginable on the shores of Eastchester Creek.

Pearl Harbor, and what followed, was different. Next day at school, after gathering in the assembly hall to hear President Roosevelt declare war on Japan, we were sent home early.

There had been an air-raid alert in much of the New York area. A practice drill? No one knew. Some kids like me, 14 years old and up, had been given white civil-defense helmets, handbooks and armbands, making us junior-assistant air raid wardens, or something.

Now the helmets and armbands proudly appeared at strategic points on our block. Was it possible, we wondered, that Hitler's air fleet was paying us a return visit? Four years earlier we had been let out of school to watch the Hindenburg, the hydrogen-filled German dirigible, pass overhead, its red-white-black swastika clearly visible, on a flight from Germany. An hour later it blew up and burned while landing at Lakehurst, New Jersey.)

Maybe, I thought, as I thumbed through my pack of aircraft silhouette-recognition cards, a long-range Nazi Focke-Wulf flying boat — possibly refueled by a submarine off the coast? — was returning to the U.S. Pacific Fleet. Within a matter of days, I was dashing across the street to pass the exciting news that war had hit Hawaii to my friend, Bobby. He was a 12-year-old prodigy who spent most of his time practicing piano; I was sure he wouldn't have been listening to the radio.

Without realizing it, the secret delight I took in imparting the news — especially such catastrophic news — had filled some corner of my adolescent being. For years to come I continued to insist that unlike my parents, I would not become a journalist. But that Sunday, quite unaware, I became a news addict.

Not that my parents, my baby sister and myself hadn't been exposed to the growingly ominous news from Europe through the 1930s. We had listened on the radio to Bill Shaver, Edward R. Murrow, Paul Archibald and other great reporters as they recounted Hitler's misdeeds; and we had learned of the efforts of the West's best and brightest statesmen to deter him — or come to terms.

There was a directness and immediacy about radio news coverage in the 1930s and 1940s that television these days rarely attains. We heard the speeches of Hitler, Chamberlain, Daladier and Churchill, live. Someone had placed a live radio microphone near the Polish seaport of Gdynia on Sept. 1, 1939. It picked up the sound of a German cruiser's gun, opening fire on a Polish fort — one of the first acts of World War II.

## MEANWHILE

colorless afternoon, and I sat with my father in the living room by the radio, listening to a college football game; don't ask me who was playing.

The second or third quarter had just ended. There was a commercial break.

My father worked for a magazine in Manhattan — one of his editorial chores was to choose the cartoons, and I remember looking through a batch with him. Would there, he asked my mother, a note of suspicion in his voice, be more of that turkey hash, still left over from Thanksgiving, for supper?

My mother, who was working on a project for her college alumni magazine, never got to answer. An announcer's excited voice suddenly broke into the broadcast. The Japanese, he said, had attacked the U.S. naval base at Pearl Harbor in Hawaii. Reports were coming in of heavy loss of American life and serious damage to the U.S. Pacific Fleet.

Willie a minute. I was dashing across the street to pass the exciting news that war had hit Hawaii to my friend, Bobby. He was a 12-year-old prodigy who spent most of his time practicing piano; I was sure he wouldn't have been listening to the radio.

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Childhood was suddenly over. Our youthful fantasies had become adult ones. The hurried high school years that followed seemed to prepare my generation for going overseas; in my case with the U.S. Army to postwar Austria. The world of Europe and lands beyond closed in. What had been only news from the radio had become the stuff of everyday life.

Almost before I knew it, I had found my calling: I would report the news from overseas. Some of the news was better than the news of Pearl Harbor, which I had run across the street to tell Bobby about. Some has been worse. But, in the main, it has been a good way to earn a living.

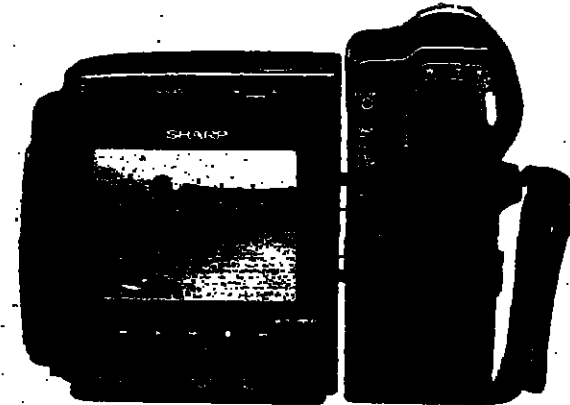
The writer, an ABC News correspondent and author based in Cyprus, specializes in the Middle East. He contributed this column to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



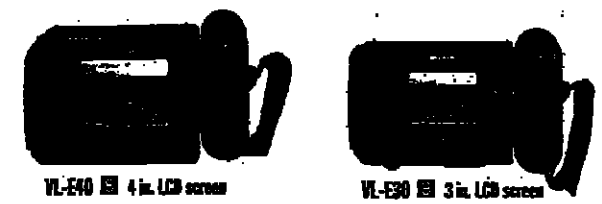
Sandra Hollins from London, Age 24. Collier and ViewCam user. Seen here with her fiancé Ian Cole (32).

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# Thatcher to Testify In Iraqi Sales Probe

By Richard Stevenson  
New York Times Service  
LONDON — With the inquiry into Britain's sales of arms-making equipment to Iraq shifting its sights to high-ranking government ministers, former Prime Minister Margaret Thatcher will face public questioning Wednesday for the first time about her role in the matter, officials said Monday.

Lady Thatcher, who headed the government until November 1990, nearly four months after President Saddam Hussein's forces invaded Kuwait, will be asked whether she misled Parliament in 1989 by stating that there had been no change in the government's stated policy of jarring the export of Iraq of technology that could be used in weapons production, officials involved in the inquiry said.

The former prime minister is to testify to the quasi-judicial inquiry, which is headed by Lord Justice Scott, a High Court judge. Lord Justice Scott, who was appointed last year by Prime Minister John Major, is to issue a public report next spring, but has no power to make or recommend criminal charges. None of the testimony to his inquiry can be used in any criminal case.

Mr. Major, who served in a number of positions in the Thatcher government, is scheduled to appear before the inquiry next month and to face questions about what he knew of the exports of machine tools and other high-tech equipment to Iraq. Several other senior ministers, including the defense secretary, Malcolm Rifkind, and the chancellor of the Exchequer, Kenneth Clarke, also will appear.

The story that has unfolded so far in seven months of public hearings is one featuring both the drama of spycraft and the banality of bureaucratic feuds and bungling. At its heart was a tug-of-war within the British government during the mid-1980s over how far to go in allowing sales of sophisticated machinery and other equipment by British companies eager to do business with Iraq.

Much of the questioning has centered on a decision made by government ministers in 1988 to interpret more loosely the guidelines that had been adopted in 1985 barring the sale to Iraq of any equipment that might have military purposes. Following the change, which apparently came in the wake of the ceasefire in the war between Iraq and Iran, government ministers approved a number of sales to Iraq, including the export of machine tools that British intelligence had concluded might be used to make artillery shells.

But according to testimony from

a number of witnesses, there was often little coordination among various arms of the government on the issue. The officials responsible for applying the government's policy to day-to-day decision-making often were distracted or only dimly aware of repeated warnings by intelligence agencies of the possible military uses of the technology being sold to Baghdad.

Throughout the inquiry, British trade officials have testified that they were primarily concerned about not causing British industry to miss out on opportunities to sell.

Anthony Steadman, a former chief of the Department of Trade and Industry's export-licensing unit, told the Scott inquiry last week that he had ignored or failed to read intelligence reports and bypassed normal procedures in approving machine-tool exports to Iraq in 1989.

"Things would just get scanned when perhaps more attention should have been paid to them," Mr. Steadman testified.

Mr. Steadman's boss, Eric Boston, the head of the Department of Trade and Industry's export control branch from 1985 to 1990, testified last month that he was often more concerned with the export of antiques and "other large expensive things owned by rich and powerful people" than with technology.



Secretary of State Warren M. Christopher carrying his shoes during his visit to the Omayyad Mosque in central Damascus.

# Rabin Hails Syrian Offer on Troops' Fate

By Clyde Haberman  
New York Times Service

JERUSALEM — Israel on Monday welcomed an offer from Syria to help learn the fate of long-missing Israeli servicemen, but said the gesture also showed that the Syrians control anti-Israeli Islamic guerrillas in Lebanon.

The unusual Syrian move, relayed to Secretary of State Warren M. Christopher in Damascus on Sunday, touches an extremely sensitive spot in the Israeli national consciousness because of the importance attached to rescuing captured soldiers and retrieving the bodies of the dead.

Mr. Christopher said that President Hafez Assad had also promised to give out visas by the end of the month to the estimated 1,200 Jews remaining in Syria.

Prime Minister Yitzhak Rabin called the Assad gesture "an important step forward" and "a big window of hope for the families" of the missing men, who number six — though reports from Syria spoke of seven. Relatives also welcomed the news about the soldiers, who in some instances were last seen 11 years ago. But they questioned why Mr. Assad took so long.

"All these years the establishment we have worked with asked him to help, and he always said he doesn't know anything," said Perina Feldman, whose son, Zvi, is one of three tank-crew members missing since a battle in Bekaa in eastern Lebanon in June 1982.

## Christopher Finds Jordan Willing

AMMAN, Jordan — Secretary of State Warren M. Christopher met King Hussein of Jordan and the PLO leader, Yasser Arafat, here Monday and said at a joint news conference with the king: "The king indicated that he desires to proceed in a deliberate but effective way to move forward in the peace process."

"We discussed the need for a comprehensive peace and I told the king of President Clinton's commitment in this area," he was speaking after talks with the king. He began talks with Mr. Arafat shortly afterwards.

Mr. Christopher came Jordan from Syria and Israel, where he tried to revive Syrian-Israeli peace talks.

Mr. Christopher and Mr. Hussein also discussed U.S.-Jordanian military cooperation and economic issues, such as an economic group that would include U.S., Israeli and Jordanian officials with the intention of stimulating investment and trade.

Mr. Rabin's positive tone was almost as unusual as Mr. Assad's offer. He rarely has good things to say about Syria, accusing it of harboring Palestinian radicals in Damascus and aiding guerrillas of the Iran-backed Hezbollah, or Party of God, who frequently attack Israeli targets in southern Lebanon and who are believed to know what happened to some of the missing servicemen.

"Their headquarters are in Bekaa, which is 100 percent under Syrian supervision and control," said Oded Ben-Ami, a Rabin spokesman. So when it comes to the Israeli soldiers, he said, "if the Syrians would like to be able to have the information, then they can have it."

Syria reportedly plans to invite members of the U.S. House Foreign Affairs Committee next month to help in the inquiry.

In Beirut, Foreign Minister Faris Boutros said that Lebanon had no information on the Israelis.

The six missing men have recently been the focus of a campaign to draw fresh attention to their situation.

While Israel talks about them as a group, much of the government's attention is on Ron Arad, who would now be 35, an air force navigator who was shot down over Sidon, Lebanon, in 1986. He is the one serviceman believed, with a

high degree of probability, to be alive — most likely in the hands of Hezbollah, Israeli officials say.

The others are the three tank-crew members from 1982 — Zvi Feldman, Zachary Baumel and Yehuda Katz — and two soldiers who were caught in an ambush in southern Lebanon in 1986, Yossi Fink and Rachamim Shaikh, both of whom have been declared dead by rabbinical authorities but whose bodies have not been returned.

The soldiers also figure in the negotiations between Israel and the Palestine Liberation Organization, which was based in Lebanon until driven out in 1982. Mr. Rabin has connected his reception of new information about the six men with agreeing to demands for Israel's release of Palestinian prisoners.

In a gesture of his own last week, Yasser Arafat, the PLO chairman, gave Israel part of Zachary Baumel's identification tag, which the Israelis say was in the Palestinians' possession for 10 years.

"There's no question the PLO has more information — they were there," Mr. Ben-Ami said.

Mr. Christopher described Mr. Assad's decision to help resolve the fate of the missing Israelis as "an important humanitarian gesture by the Syrians."

But Mr. Christopher added that the move was not linked to a possible meeting between President Bill Clinton and Mr. Assad, which other officials have said is under consideration.

## EXAM: Thousands Vie but Few Are Chosen in India

Continued from Page 1

the lifestyle and values given to the life of a civil servant.

Like many aspirants, Mr. Mihir is not new to the exam. "I cleared the main test last year," he said, "but I failed the interview. This is my second chance."

Said Vandana Das, 22, a chemistry student, of the prospect of winning a place in the administrative service: "It means a lot of power and good status. Power in the sense of whatever you feel like doing. They have a lot of hold over other officials. They have a lot of hold over what the government does."

But some members of the service, people who are widely known for their probity and commitment to government service, despair over the attitudes of new applicants.

"The nature of people going into the IAS is exactly that — power and glory and, they don't say it, — money," said Ashok Jaitly, an IAS officer who recently resigned from his post as adviser to the governor of Jammu and Kashmir. "When we went in, and it sounds foolish now, it was to serve the country."

"There was a time when we were proud to say there is corruption in the country but the IAS is incorruptible," he continued. "You can't say that anymore. Ten years of service and you're a millionaire. These people coming in the district level, where they are powerful. You do have a lot of power. There is no doubt about it. You can order people behind bars, you can build this project or that project. But now, you almost know the good IAS officers by names, the ones who aren't corrupt. It's almost like a club of its own. Maybe 100. Not more than that."

At Gwyer Hall at Delhi University, Saraj Yadav remains cheerful despite having failed the exam three times. Now, at 28, he is too old to take the test again.

"Everyone was expecting me to get into the service," he said. "Everyone would be willing to sacrifice for this. There is this kind of social prestige, a glamor to being in IAS. What people think of you makes a lot of difference."

More, he said, as his marriage approaches the dowry he can expect from the bride will be far

smaller than if he had succeeded.

Now, increasingly, India's upper castes, its Brahmins, and its most affluent families are urging their children into the world of business.

"There are more people from rural backgrounds," Mr. Jaitly said. "The social class of applicants has moved to the middle castes and the middle classes."

"Still, people keep asking me whether I'd do it again," Mr. Jaitly said, "and I say: 'Yes, it's a good profession. But don't make a life-time profession of it.'"

## TV Journalist Knifed In Tokyo Newsroom

The Associated Press

TOKYO — A man who had been a mental patient wounded the assistant news chief of a leading Japanese television network Monday in a knife attack in his newsroom, the police said.

Masahiro Yokohama, 53, of Nippon Television Network Corp., would need a month of treatment for stab wounds, an official added.

## ISRAEL: More Clashes in West Bank as Talks Pick Up

Continued from Page 1

told Mr. Christopher that he was under heavy pressure from Palestinian militants and the PLO Executive Committee, and that he believed that much of the strain would be eased if the Israeli withdrawal began on time.

Mr. Christopher pledged to convey Mr. Arafat's concern to Mr. Rabin, and said the United States was looking into the possibility of providing some nonlethal aid, such as surplus vehicles, to the embryonic Palestinian police force that is to replace Israeli troops.

But he also made clear that the U.S. role in helping the Palestinians would be confined primarily to economic assistance and that the Clinton administration believed the PLO and Israel should work out their future security relationships by themselves.

Meanwhile, Israel announced that Foreign Minister Shimon Peres would meet with Mr. Arafat on Wednesday in Grenada, Spain. Both will be attending a conference sponsored by the United Nations Education, Scientific and Cultural

Organization. The meeting is expected to pave the way for a possible Rabin-Arafat session to take up some of the remaining obstacles in the Israel-PLO talks.

The chief disagreements are over security arrangements and how large the Jericho zone should be.

Both Israel and the Palestinians are preparing to submit draft agreements to each other at talks in Cairo on Wednesday.

According to government officials, Israel has agreed to release a large number of Palestinian prisoners when the agreement takes effect. But there are still unsettled problems over how Israeli settlers will be protected, especially on roads which take them through Arab population centers in Gaza.

The roads have become a battleground in recent days. Last week, two Israelis were killed in an assault by Palestinian militants firing automatic weapons. Another Israeli was killed at a bus stop on Sunday.

## Observers Give Gabon Election Mixed Reviews

Reviewers

LIBREVILLE, Gabon — Foreign observers said Monday they had found widespread technical flaws in Gabon's first multiparty presidential election Sunday, but no evidence of deliberate fraud.

The outcome of the election was still not known, although the electoral commission had promised partial results on Sunday night. Supporters of President Omar Bongo, who has been in power for 26 years, and of 12 opponents accused each other of vote-rigging.

In a joint statement, observers from the Organization of African Unity, the International Commission of Jurists, the African-American Institute and the African National Congress said the most obvious problem had been the absence of electoral registers at polling stations. But the experts said they had found no "deliberate intent to defraud."

Libreville was reported tense Monday.

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سازمان چاپ



# Frank Zappa, Musical Iconoclast, Dies

By Jon Pareles  
New York Times Service

Frank Zappa, 52, the composer, guitarist, band leader and producer who was rock's most committed iconoclast, died of prostate cancer Saturday at his home in Los Angeles.

Mr. Zappa was a quintessential 20th-century American composer, a maverick within popular music and an outsider among classical composers.

His huge body of work—more than 60 albums since 1966—embraces doo-wop, jazz-rock, blues, heavy metal, big-band suites, rock, orchestral music and every pop fad he decided to mock.

The stage shows of his band, the Mothers of Invention (renamed Zappa after 1978), were renowned for precise musicianship and uninhibited, sometimes scatological humor.

His classical chamber and orchestral compositions have been conducted by Zubin Mehta and Pierre Boulez, and the Lyon Opera Ballet of France commissioned choreographers to create dances to his music.

But as his instrumental music gained recognition, he gave up classical composition, he wrote in his 1989 autobiography, "The Real Frank Zappa Book," because "the incentive to continue was removed by having to deal with symphony orchestras."

Mr. Zappa's work was uneven. He was praised for his sweeping eclecticism and his idiosyncratic balance between absolute control and a Dadaesque celebration of the repressed.

At the same time, his pieces were widely criticized for juvenile humor and for a cold, mechanical quality. From the beginning, he was an accomplished user of recording technology, creating sonic montages in the studio, and taping and filming many of his performances.

Mr. Zappa was an angry satirist, and some of his songs were topical and perishable. But even as his targets changed, his work through the years shows a consistent anger at complacency, inhibitions, slipshod thinking and self-delusion, inside and outside popular music, whether he was attacking hippie optimism in "We're Only in It for the Money" in 1967 or the censorious Parents Music Resource Center in "Frank Zappa Meets the Mothers of Prevention" in 1985.

His bands, The Mothers of Invention and Zappa, were schools for musicians. Mr. Zappa demanded hyperfast execution, as well as the ability to improvise and to shift idioms in a split-second.



The Associated Press/1990

Frank Zappa's Mothers of Invention was a master of mockery.

Mr. Zappa himself was a distinctive guitarist, playing solos that moved in irregular, conversational fits and starts. In 1981, recognizing the interest in his guitar solos, he released "Shut Up 'n' Play Yer Guitar," a three-album project.

In the 1980s, Mr. Zappa became an entrepreneur, releasing albums on his own Barking Pumpkin label and overseeing archival releases through Rhino Records, which put out authorized versions of bootlegged recordings, and Rykodisc, which reissued early albums and a series of live recordings, "You Can't Do That on Stage Anymore."

After Vaclav Havel, a fan of Mr. Zappa's music since the 1960s, became president of Czechoslovakia in 1989, Mr. Zappa was invited to advise him on building businesses in the capitalist marketplace. For the first months of 1990, Mr. Zappa was

Czechoslovakia's representative to the West on matters of trade, culture and tourism.

In the 1980s, Mr. Zappa worked against efforts to censor popular music. He testified before a Senate subcommittee in the 1985 hearings on "porn rock" and repeatedly tangled with those who advocated warning labels on albums, a tactic he compared to "treating dandruff by decapitation."

Frank Vincent Zappa was born on Dec. 21, 1940, in Baltimore and was 10 when his family moved to California, settling in Lancaster.

In the 1950s, he immersed himself in rhythm-and-blues and doo-wop, as well as the classical music of Igor Stravinsky and Edgar Varese. He played various instruments in school groups and taught himself to play guitar.

He began recording in 1960, writing scores for B movies. With the singer Ray Collins, he wrote a

song called "Memories of El Monte," which was recorded by the Penguins, a doo-wop group.

Mr. Zappa joined Mr. Collins's band, the Soul Giants, in 1964 and reshaped the group to play original material. The group was renamed The Mothers as it played clubs around Los Angeles.

After the group signed a contract with Verve Records in 1966, the record company insisted that the band call itself The Mothers of Invention. Its first album, the double L.P. "Freak Out," already dubbed at Mr. Zappa's range, from sardonic pop tunes to unaccompanied vocal collages.

Through the end of the 1960s, his albums grew steadily more ambitious. In 1967, the band took up residence at the Garrick Theater in New York's Greenwich Village.

In late 1968, Mr. Zappa returned to Los Angeles and, with his manager, started two labels, Straight and Bizarre, distributed by Reprise Records. The labels signed Alice Cooper, later to become a theatrical rock hitmaker, and Captain Beefheart, whose "Trout Mask Replica," produced by Mr. Zappa, has influenced innumerable experimental and punk-rock groups.

After five years of losing money, Mr. Zappa disbanded The Mothers of Invention in 1969 but re-formed it with a new lineup in 1971. In 1970, Zubin Mehta conducted the Los Angeles Philharmonic in excerpts from Mr. Zappa's score for his own film, "200 Motels." The film was released in 1971.

Through the 1970s, Mr. Zappa juggled relatively commercial rock albums, like "Just Another Band From L.A.," and "Overnite Sensation," and more experimental projects. In 1977, he filed suit against his manager, Herb Cohen, and ended his contract with Reprise. He established Zappa Records through Mercury in 1979 and renamed the band Zappa.

His first album through the new label, "Sheik Yerbouti," included a disco parody, "Dancin' Fool," that became a hit single.

When Mercury refused to release a single, "I Don't Wanna Get Drafted," in 1980, Mr. Zappa left the company and started his Barking Pumpkin label.

Through the 1980s, Mr. Zappa's recording and performing groups were a thriving cottage industry; he also started Honker Video to release his films and videotapes. "Jazz From Hell," a 1986 album composed on the Synclavier synthesizer, won a Grammy for best rock instrumental performance.

# Australia Fails in Bid To Soothe Malaysians

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Trade Minister Peter Cook of Australia urged Malaysia on Monday to end a diplomatic dispute with Australia and not jeopardize gains from working together.

Malaysian government ministers insisted, however, that the Australian prime minister, Paul Keating, apologize for calling Prime Minister Mahathir bin Mohamad "recalcitrant" for not attending the summit meeting of the Asia-Pacific Economic Cooperation forum in the United States last month.

The Malaysian foreign minister, Abdullah Ahmad Badawi, canceled a courtesy call that he was to have received from Mr. Cook on Monday. A spokesman for the foreign minister gave no reason for the cancellation, but the national news agency, Bernama, quoted a source as saying it was a protest against Mr. Keating.

The minister of international trade and industry, Rafidah Aziz, said that "since Keating had started the row, it was up to him to put it right."

Asked how offensive the word "recalcitrant" was, she said that no one should pass value judgments on another, and that Malaysia considered the matter serious.

Mr. Mahathir has said that a letter from Mr. Keating last week explaining the remark was neither an apology or conciliatory.

Abdul Rahim Thamby Chik, chief minister of Malacca state, said Monday he would ask the chief ministers of all 13 Malaysian states to boycott Australian services and goods.

Defense Minister Najib Razak said that Australia must do something "positive and meaningful" to end the affair.

Mr. Najib said the dispute would not affect military cooperation under the five-nation arrangement that also includes Britain, Singapore and New Zealand.

Mr. Cook said Monday that "Australia and Malaysia have an enormous amount to gain from working together, from working with, not against each other."

Speaking at the Pacific Rim Business Collaboration Symposium in Kuala Lumpur, he added: "It is for this reason, among others, that we very much hope that a line can be drawn under the controversy of the last two weeks that has raised real concerns about our shared economic and business interests." (AP, Reuters)

# Year After Mosque Defiling, Bombs Kill and Maim in India

Reuters

NEW DELHI — A series of bomb explosions on four express trains killed one person and wounded more than 20 on Monday, officials said.

The police here said there were no immediate clues as to who was responsible for the bombs, which went off on the first anniversary of the destruction of a 16th-century mosque in the town of Ayodhya.

"Police across the country were on alert in case of trouble on the anniversary, but it's too early to tell whether the blasts are linked to it," a senior police officer said.

Still, the explosions appeared to have been coordinated, going off within three hours of one another, he added.

One person was killed when a bomb went off on the Andhra Pradesh Express in the outskirts of the

southern city of Hyderabad as it was leaving for New Delhi.

Officials there said they saw a link between the blast and the anniversary of the razing of the mosque, but said they had no evidence indicating who had been responsible.

Sixteen people on the train were wounded, four seriously.

Other blasts Monday hit express trains to Delhi from Calcutta and Bombay, and a train heading from the western port of Surat to Bombay, officials said. Six people were wounded in those explosions.

Militant Hindus tore down the disused mosque in Ayodhya, in the northern state of Uttar Pradesh, on Dec. 6, 1992, setting off violence across the country in which more than 2,000 people were killed, most of them Muslims.

Many Hindus believe the mosque was built on the site of the

birthplace of the Hindu god Ram.

In southern Andhra Pradesh state, Muslims held a strike to mark what they called a "black day." Although the protest was mostly peaceful, the authorities said, one person was wounded when the police fired on a crowd trying to set a bus on fire.

The police in the neighboring state of Karnataka made many arrests to prevent Hindu celebrations of the anniversary.

In Bombay, more than 300 people were arrested to prevent trouble, and many Muslims closed their businesses, as they did in Ayodhya and in nearby Faizabad.

In March, a series of large bomb blasts rocked Bombay, which had seen the worst of the post-Ayodhya violence, killing more than 250 people.

# Clinton Still Hopes for Nuclear Deal

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton said Monday he was "not entirely discouraged" by North Korea's hedged response to demands for inspections of its nuclear sites.

"We were hoping that we could move more quickly, but I'm not entirely discouraged," Mr. Clinton said when asked about his reaction to Pyongyang's offer to allow inspectors access to five relatively minor nuclear facilities.

North Korea denies it is developing nuclear weapons, but the United States and other nations want it to open its nuclear development facilities to international inspection to allay all suspicions.

According to news reports, North Korea has said in its limited inspection offer that the two most sensitive facilities, at Yongbyon, would be off-limits. They are a reactor and a reprocessing plant, which Western intelligence says could be used to separate plutonium for a nuclear bomb.

"We have to go back and respond to them," Mr. Clinton said. "At least they reacted to our initiative."

He said that the United States was consulting with South Korea on the issue.

A spokesman for the International Atomic Energy Agency said that the North Korean offer did not meet

the agency's demands for unrestricted access to the site.

"It does not respond to our position," the spokesman, David Kyd, said in an interview from the UN agency's headquarters in Vienna. He said his comment reflected the view of Hans Blix, the agency's director, who was briefed over the weekend by the U.S. State Department on the North Korean offer.

But Mr. Kyd said the agency would not respond officially to the North Korean offer until after the Clinton administration had announced its position.

Meanwhile, the Iranian defense minister, Mohammed Forouzandeh, arrived in Pyongyang on Monday for talks amid speculation that Iran may be providing military assistance to North Korea.

Mr. Forouzandeh arrived at the head of an Iranian government delegation to attend an intergovernmental committee meeting on economic, scientific and technological cooperation, said the official North Korean press agency, KCNA, monitored in Tokyo.

Iran denied last week that it was buying long-range missiles from North Korea or helping Pyongyang test a new ballistic missile. Japan had expressed concern about Iran's possible role in test-firing Pyongyang's Rodong-1 missile, and the European Community had also queried Tehran's weapons programs. (Reuters, AP)

# Setback for Hosokawa as Rivals Win Poll

Reuters

TOKYO — Japan's main opposition party, the Liberal Democrats, cruised to victory in the first parliamentary by-election since it lost power in July, the election commission said Monday.

The party's candidate, Kensei Mizote, won almost twice as many votes as his Socialist rival in the contest Sunday for an upper house seat in Hiroshima, which was vacated by a retired opposition member.

It was a sobering defeat for Prime Minister Morihiro Hosokawa. His fragile coalition, which includes the Social Democratic Party, could not agree to field a joint candidate against a party disgraced and humiliated just five months ago. Most analysts had predicted the outcome.

The Hiroshima election brought a 24.85 percent turnout, the lowest on record.

The opposition victory proved the party's continuing popularity at a local level, and showed it could

regain power at the next general election should the coalition fail to run joint candidates against it.

Parliament is debating political reform bills that would replace the current lower house system of multi-seat constituencies with a combination of single-seat districts and proportional representation.

Studies conducted by political analysts and national dailies have concluded that the coalition's only hope of staying in power was to fight as a bloc.



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Roger Schall portrait of Coco Chanel, 1937; Chanel necklace design; diamond bangle and brooch from the collection of Elton John; cabochon bracelet by Marie-Claude Lalique.

# Diamonds: The White Lights of Paris on the Place Vendôme

By Suzy Menkes  
 International Herald Tribune

**P**ARIS — The twinkling windows in the Place Vendôme are out to prove that diamonds are a star's best friend, as France's jewelers hold their annual feast of sparklers Tuesday.

Rita Hayworth, with a sultry celluloid stare, gazes from a photograph behind a sunburst necklace, a gleaming Oscar, reels of Silver Screen film and a winged cinematic trophy compete with diamonds, sapphires, emeralds and rubies at Van Cleef & Arpels. At Cartier, the Art Deco jewels owned by Elton John are having a private showing — before next week's auction at Sotheby's London.

The party's theme is Hollywood glamour, and jewelers are celebrating a comeback as dramatic as anything scripted by Cecil B. De Mille. There is a return to fashion favor of the fiery white diamond.

Did diamonds ever go away? The

1980s was the decade of the baroque, when clumps of colored stones in gold settings were the height of style. Then the jewelers' fanciest creations, as well as the flashy paste imitations, winked with bright stones set in colorful mosaics. Now the most striking jewels emphasize the icy purity of diamonds — solitaires, single luminous drops or watery cascades — always set in platinum, as "white" jewelry eclipses the glitz.

Why the focus on diamonds amid 1990s' hard times?

"The whole business of white jewelry has to do with classicism and a low-key attitude," says Susan Farmer of De Beers. "Even the greatest hedonist has a slight conscience about being too flashy. And because it is nearly always men who buy serious jewelry, they are practical and are looking for a simple piece with quality stones."

Or as Coco Chanel put it years ago: "At a time of financial crisis... there reappears an instinctive craving for authenticity,

which reduces amusing imitations to their true worth."

Chanel made false chic in the 1920s, but in the threadbare 1930s she decided to return to the real thing. And this winter, the house of Chanel has again turned away from gilded gewgaws and brought out its own line of real jewelry, based on the designs that Chanel, working with Paul Iribe, put on show in 1932. Selling in Chanel jewelry boutiques on Place Vendôme and Avenue Montaigne is a collection of fine jewelry led by a diamond necklace with a shooting star trailing a comet of brilliant, selling at 2.5 million francs (\$427,000).

The Chanel fine jewelry has no design innovation, but is rather a beacon to lure customers to the more affordable jewelry (prices from 12,900 francs) on Chanel themes, like quilted gold rings set with semiprecious stones on the signature camellia in agate. It seems symbolic that Chanel, known in the aspirational 1980s for chunking gold chains, is taking a different stance in a new decade.

Jewelry, as much as clothing, is a reflection of the times. At the turn of the century "white" jewelry was the height of fashion, then followed colorful jewels that went with the exotic creations inspired by the

Ballet Russes, Art Deco geometries, robust 1940s jewels set in chunks of gold, then dainty accessories to go with the New Look and another burst of revolutionary modernism in the 1960s.

The Elton John jewelry, to be sold at Sotheby's on Dec. 14, gives an overview of changing styles, with a focus on Cartier pieces from the 1920s and '30s: diamond clips, bracelets, panther cuff links and tie pins. Then there are the rings that the glam rock star flamed on chubby fingers and the Art Deco equestrian that dangled from his flamboyant clothes. A sense of humor — or maybe just show-biz kitsch —

meant a Cartier stars-and-stripes bow-tie pin, a Tiffany brooch spelling out "Elton" in diamonds and a tortoise-shell cane topped with a gem-set bust of Napoleon.

Cartier is also celebrating the 20 years of Les Must de Cartier, the collection of jewels, watches and leather goods that started the idea of marketing luxury accessories to a wider public at accessible prices.

At the highest level of jewelry, this is the moment for classicism with diamonds, pure and simple, and settings that tend toward a modern, airy lightness.

Van Cleef is showing its latest technical wizardry: an invisible-set bracelet of hexagonal-cut stones, with abstract figures in rubies set among the diamonds.

Flowers are a favorite motif, and

emphasize the back-to-nature and ecological feel of Van Cleef's boutique collection (under \$10,000). A wooden flower, tipped with gold and with diamond stamens is part of a collection of wood pieces that includes rings and bracelets set with plaques bearing loving messages.

If you cannot afford to indulge in diamonds, Boucheron has other modern trends. The cabochon stones in its boutique collection of rings are all pale and clear semiprecious gems: watery green peridot, blushing rubellites, pastel aquamarine, amethyst and pink topaz.

Then there is rock crystal, amethyst or clear, fresh stone that is rising with the tide of diamonds. Concentrating on sensuous round shapes, Boucheron has carved crystal drops that hang from a necklace, or are

worked with gold balls or form a translucent glassy bubble in a ring.

There is nothing revolutionary about using rock crystal, and a century after René Lalique's sinuous Art Nouveau jewelry was the height of fashion, the company, which has just opened a boutique in the new shopping mall that is part of the Grand Louvre, has created a new collection of jewels.

There are crystal rings in pallid colors, at the affordable price of 690 francs, along with this season's high-fashion item, the cross, and a bestiary of panthers and pigs using rock crystal carved with owls, elephants or cats. Designed by Marie-Claude Lalique, in liquid colors from drizzle gray, through past brown, whisky and champagne, their glassy transcendence echoes current fashion.

## Equestrian Riches of Czars at Hermès Museum

International Herald Tribune

**P**ARIS — A prancing white horse in carved silhouette is caparisoned with crimson velvet and a gilded saddle embroidered with jewels. The fantastically decorated horse accessories are part of an exhibition of "Equestrian Splendors From the Kremlin," staged in the Hermès museum on Rue du Faubourg-Saint-Honoré (until Jan. 28).

Fancy ornamental carapets with gilded eagles (the ultimate horse blanket), elaborate saddles and pectoral pieces are everyday objects from the imperial stables of czarist Russia in the 17th and 18th centuries.

"It is the first time that our little museum has been able to arrange such an exchange," said Jean-Louis Dumas-Hermès, president of the company, which has its own archive of saddles, traveling bags and equestrian accoutrements of unostentatious luxury. A gold chain bridle and stirrups carved with imperial eagles prove that before the Revolution, the czars would put a king's ransom on a horse's back.

Suzy Menkes

## CHESS

By Robert Byrne

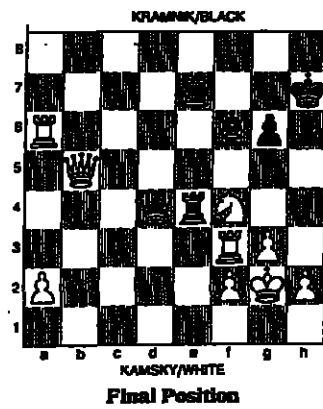
**T**HE United States won the World Team Championship for the first time in November, scoring 22½ points in 36 games to the silver medalist Ukraine's 21 points, in Lucerne, Switzerland.

East match was contested on four boards.

Board 1 for the United States was Kamsky, the 19-year-old from Brooklyn, who performed well with a 2½-2½ tally against top opposition. In Round 4, in which Russia and the United States played to a 2-2 tie, Kamsky defeated Vladimir Kramnik, ranked third in the world.

Kramnik has been specializing in the Borovnik System in the Semi-Slav defense with 5...d6 e4 b5 7 e5 h6 8 Bb4 g5 9 Ng5 hg 10 Bg5 Nbd7. But he switched to the tamer 5...h6 6 Bf6 Qf6 this time, maybe because he hadn't been happy with his position after 11 e7 Bb7 12 g3 e5 13 d5 Nf6 14 de1 in his game with Eric Lobron in Dortmund, Germany, in April.

Kramnik varied from the orthodox 8...Bd6 or 8...Qd8 with 8...g6 and 9...Bg7, but the strategy remains the same: After 10 e4 de 11 e5 Qe7 12 Bc4, Black relies on the



long-term value of the bishop-pair against White's superior control of space.

With 16 Be4, Kamsky prevented Kramnik from freeing his game with 16...c5. When Kramnik finally got in 18...c5, Kamsky powerfully thrust 19 d5! and overran the black center. Neither 19...b4? 20 d6, nor 19...ed 20 N45 B45 21 B45, threatening a further breakthrough with 22 e6, were satisfactory for Black. So Kramnik tried to diminish the white center with 19...Ne5 20 Ne5 Be5.

But after 21 de Be4 (21...Bc3 22 Rc3 Qe6 loses to 23 Qh6! Be4 24

Rh3 f5 25 Qh8 Kf7 26 Qh7 Kf6 27 Qh7) 22 Ne4 Bb2 23 Rc5 Bg7 (23...Qe5? 24 Rc2! wins material) 24 Rcd1 fe 25 Ne5 Qf7 26 Ne6, Kamsky had recovered his pawn with clear positional advantage.

With 29 Re2, Kamsky threatened 30 Ng7! and 29...Bf6? would not stop the winning 30 Ng7! Kramnik should have played 29...Rce7 instead of 29...Rae7, which lost a pawn to 30 Ra6 without lightning Black's burden.

Kramnik put 36...R8e7 on before Kamsky had a chance to play 37 Ng6! Rf7 38 Qf5 Kg7 39 Nf4!, with terrible threats of 40 Ne6, 40 Nh5 or 40 Qg6.

SLAV DEFENSE			
White	Black	White	Black
Kamsky	Kramnik	Kamsky	Kramnik
1 e4	e5	18 d5	Ne5
2 Nf3	Nf6	19 Bc4	Bd7
3 Bc4	Nc6	20 Bb2	Bc8
4 Ng5	Ng8	21 de	Bc2
5 Bf6	Qf6	22 Ne4	Bg7
6 Bg5	Qe7	23 Rc5	Bg7
7 e5	Qe7	24 Rc6	fe
8 Bb4	Qe7	25 Ne5	Qf7
9 Ng5	Qe7	26 Ne6	Qe7
10 Bg5	Qe7	27 Qe4	Qe7
11 e6	Qe7	28 Ra6	Qe7
12 d5	Qe7	29 Re2	Qe7
13 de	Qe7	30 Ng7	Qe7
14 Bc4	Qe7	31 Ne4	Qe7
15 Bb2	Qe7	32 Rc5	Qe7
16 Be4	Qe7	33 Nf4	Qe7
17 Bc3	Qe7	34 Qf5	Qe7
18 Qe4	Qe7	35 Kg7	Qe7
		36 R8e7	Qe7
		37 Ng6!	Qe7
		38 Qf5	Qe7
		39 Nf4!	Qe7
		40 Ne6	Qe7
		40 Nh5	Qe7
		40 Qg6	Qe7

## BOOKS

WHAT THEY'RE READING

### A GOSPEL OF SHAME: Children, Sexual Abuse and the Catholic Church

By Elinor Burkett and Frank Bruni. 292 pages. \$22.50. Viking.

Reviewed by Gustav Niebuhr

**H**ALFWAY through a recent speech in which he preached respect for the church's moral teachings, Pope John Paul II turned to another issue: child sexual abuse by members of the Roman Catholic clergy. "I have already written to the bishops of the United States about the pain of the suffering and scandal caused by the sins of some ministers of the altar," the Pope said. "I have told them I share their concern, especially their concern for the victims of these wrongdoings."

If any evidence were needed of how deeply the church has felt the trauma caused by pedophiles among its clergy, the Pope made it apparent in these remarks, delivered during the church's World Youth Day celebrations in Denver last summer. In the letter he sent to U.S. bishops in June, he described these scandals as "evil," a word most people would certainly find apt for the despicable crime of child sexual abuse.

Obviously, the overwhelming majority of pedophiles are not priests, and the overwhelming majority of priests are not pedophiles. Still, the relatively few abusers who have worn clerical collars provoke a special sort of horror, partly because of their perceived status as being closer to God than most people, partly because of the terrible vulnerability of their victims.

Over the past year, scarcely a month has seemed to go by without

some new allegation of abuse somewhere in the U.S. Catholic church. Last year scores of men and women accused a former priest, James A. Porter, of having molested them as children during his various assignments in parishes in three states during the 1960s and 1970s. In December, Porter, who left the priesthood in 1974 and later married, was convicted in Minnesota of molesting his children's baby-sitter. He has since pleaded guilty to 41 counts of child molestation.

As such accusations have piled up, victims have become more outspoken and organized. On the one hand, the bishops as a body have begun to respond, trying to hammer out a standard procedure for dealing with these accusations that will immediately remove the accused from active ministry, thoroughly investigate the charges and respond to victims. But at the same time, priestly morale has faltered; some who have dedicated their lives to serving the faithful now say they hesitate even to pat a child on the head, fearing that even this simple gesture could be misinterpreted.

There is ample and compelling material here for a thoughtful book on the effects that this sad episode

is having on America's largest religious institution. But "A Gospel of Shame" is not that book.

The authors, Elinor Burkett and Frank Bruni, reporters for the Milwaukee Herald and the Detroit Free Press, say they want to tell "the tale of countless American Catholics whose innocence was robbed by the very institution to which they had entrusted their souls." Their book will be of interest primarily to people who missed reading about various abuse cases in their newspapers.

The allegations against Porter are described here, along with several other, less well-known cases, courtesy of interviews with the victims and their families and information gleaned from lawyers, court records and newspaper clippings. It is grim reading. Page after page, children are patted, groped and occasionally raped, all by men who — at least in these accounts — displayed many other signs of being deeply disturbed.

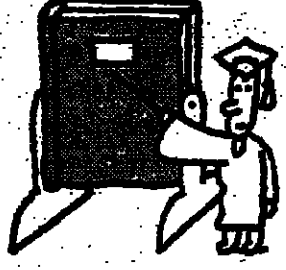
Occasionally, the authors quote people whose words clearly signal the spiritual devastation that these crimes can cause. One young woman, molested from a very young age, eventually worked up the courage to tell her mother what was going on, only to be told she was "whore."

In other instances, one is left to wonder at the simple trust shown by parents whose children became rather obvious objects of unhealthy attention. The authors describe how one priest, apparently obsessed with a very young girl, kept showing up at her home at dinner time, following her to swim meets, even tagging along uninvited on family vacations. The girl's awestruck parents recall wondering if they were "holly enough" to spend so much time with this man.

"A Gospel of Shame" is not helped by its odd title (gospel means good news), its clichéd chapter headings ("Genesis," "False Idols," "Cardinal Sin") and an occasional lapse into repetition. Nor does the book benefit from a tendency toward the most sweeping generalizations. The authors paint in very broad strokes.

Many victims of clerical sexual abuse were understandably angry toward the bishops, whom they charge with having stone-walled them and protected abusive priests. Their feelings are reflected in this book.

Gustav Niebuhr is on the staff of The Washington Post.



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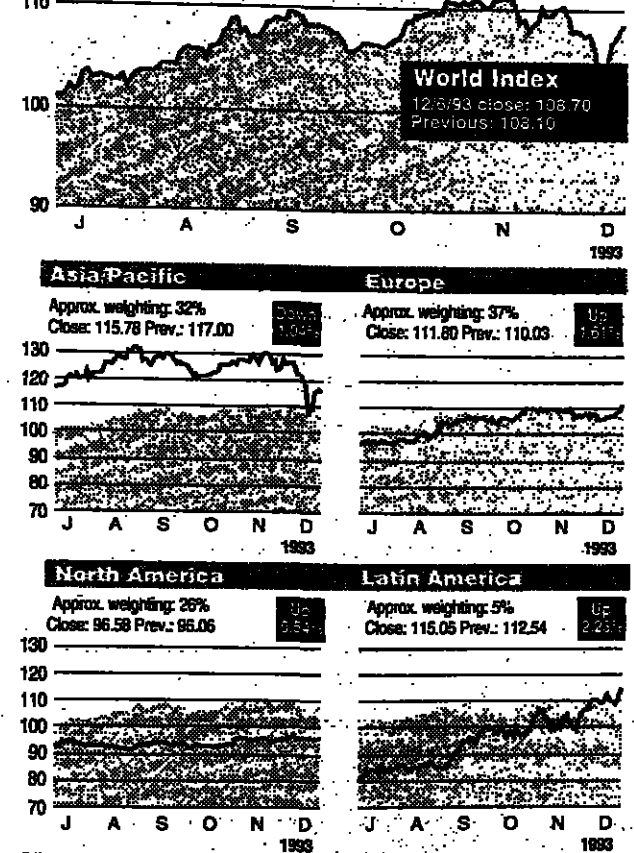
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Table with 4 columns: Sector, Index, Change, % Change. Rows include Energy, Utilities, Finance, Services, Capital Goods, New Materials, Consumer Goods, Miscellaneous.

Sichuan Rushes to Build Its Links With the World

By Kevin Murphy International Herald Tribune CHENGDU, China — Liu Zhongshan, an engineer in charge of Sichuan province's transportation planning...

flowed almost exclusively to the booming coastal areas and large cities. Judging from the generous terms Mr. Liu is offering on future projects...

operate-transfer basis. Under such arrangements, the contractors operate and collect revenue from a project for a set period before turning it over to local authorities...

Metallgesellschaft Gets Emergency Aid

Compiled by Our Staff From Dispatches FRANKFURT — The stock market wiped 40 million Deutsche marks (\$23 million) off the value of Metallgesellschaft AG on Monday...

Mellon Bank to Acquire Dreyfus

By Lawrence Malkin International Herald Tribune NEW YORK — Mellon Bank Corp. said Monday it was taking over Dreyfus Corp., one of the United States' largest operators of mutual funds...

That emphasizes the trend by banking companies to try to make money from financial services rather than relying on the traditional income source of spreads between borrowing and lending rates...

Italy's Markets Get Leftist Boost

MILAN — Italian financial markets, which once would have plunged at the left's weekend electoral wins, rose Monday as investors decided the result was probably Italy's best hope for stability...

Tokyo Plunges on Hosokawa Remarks

By James Sterngold New York Times Service TOKYO — The stock market provided another referendum Monday on the prospects of Prime Minister Morihiro Hosokawa...

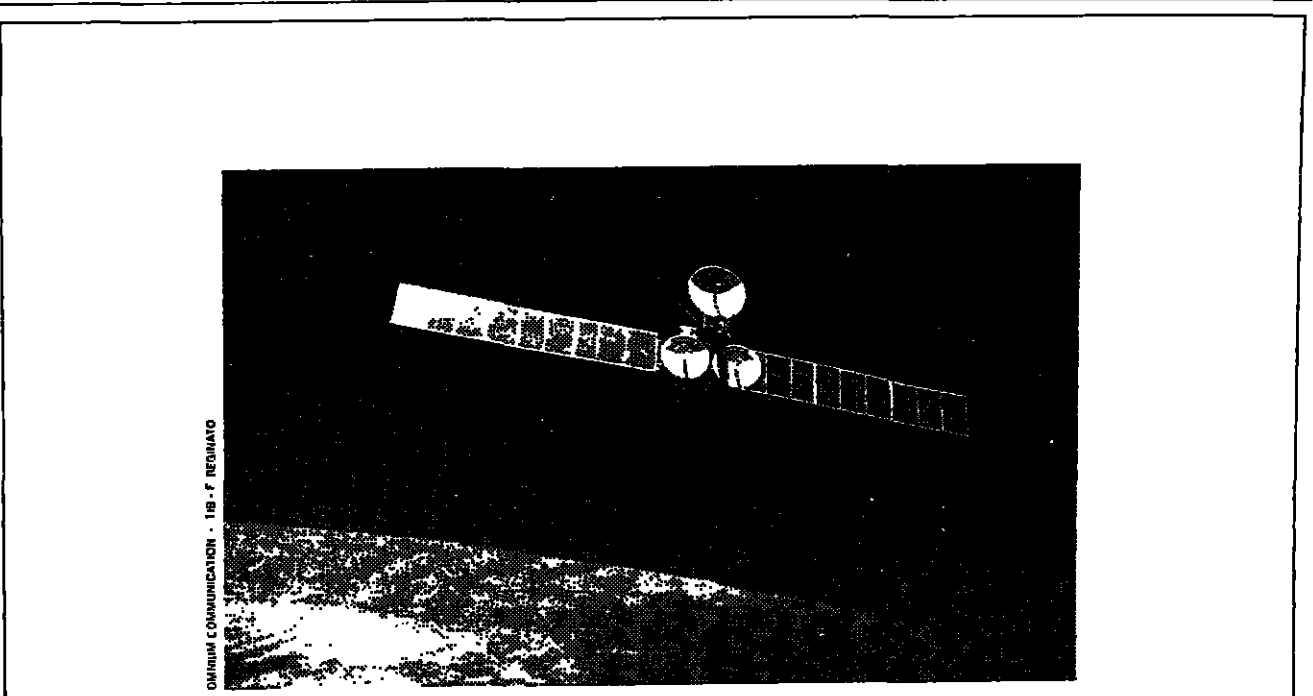
Instead, from one day to the next the market has taken its cue from Mr. Hosokawa's sometimes delicate utterances. The government is all but controlling the market's direction because of the timidity and worries of investors...

Thinking Ahead

A Little Help for East Europe, Please

By Reginald Dale International Herald Tribune WASHINGTON — Four years after the fall of the Berlin Wall, the West seems to wish that Eastern Europe would go away...

No thanks to Western governments, those countries closest to the West, both geographically and culturally, are beginning to turn their economies around. Poland, Hungary, the Czech Republic, Slovenia and Estonia are all widely seen as success stories...



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CURRENCY & INTEREST RATES

Large table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates. Includes various financial data points and interest rates.



MARKET DIARY

Burge in Bonds Sparks Blue Chips

Compiled by Our Staff From Dispatches NEW YORK — Bond prices surged for the second consecutive session on Monday, lifting most of the chip stocks, as the lowest oil prices in five years reinforced expectations that inflation will remain subdued.

Semiconductor stocks were the major exception to the bullish benchmark 30-year Treasury bond rose 31/32 point, to 101 2/32, amid mounting optimism over producer and consumer price reports for the month of November, which are scheduled to appear late this week.

With most economists expecting the data to confirm that inflation poses little threat to the U.S. economy, the yield for the issue fell more than 7 basis points, to 6.17 percent.

"People are going back to work, interest rates are still coming down, and energy prices are falling," said Richard Ciardullo, head trader at Eagle Asset Management. "That's a pretty good environment" for stocks.

On the New York Stock Exchange, advancing issues led declines by a 10-to-9 ratio while volume rose by nearly 24 million shares, to 292 million shares.

Among the beleaguered electronics companies, Motorola slid 2 1/4 to 94 and Intel slid 4 to 59 1/2, while Texas Instruments slumped 2 to 62 1/2 and Advanced Micro Devices fell 1/4 to 17 1/2.

Mellon Bank fell 4 1/4 to 53 1/2 but Dreyfus rose 1 1/4 to 46 1/2. Mellon plans to swap \$1.85 billion of its shares to acquire Dreyfus. Investors would get 0.85 Mellon shares for each Dreyfus share they hold.

"If it wasn't for the semiconductor stocks, the market wouldn't be down," said Lance Zipser, a trader at Kidder, Peabody, referring to semiconductor stocks.

The bond market provided the major underpinning for stocks. The dollar closed at 1.7014 Deutsche marks Monday, down from 1.7200 DM on Friday.

At one point in the day, the currency tumbled below the psychologically important 1.70 DM level.

The dollar also fell to 107.95 yen from 108.55 yen to 1.4612 Swiss francs from 1.4900, and to 5.8415 French francs from 5.9120. The British pound rose to 1.5047 from 1.4905.

A bigger-than-expected decline in the U.S. unemployment rate, to a three-year low of 6.4 percent in November, helped send the dollar to 1.7286 DM on Friday, the highest it has been in four months.

The dollar tumbled soon after as traders tried to capitalize on the rally, and the rout continued Monday.

"People are disappointed with the market's reaction to the employment report," said David Glick, senior foreign-exchange analyst at MICM CurrencyWatch.

Signs that the Bundesbank won't cut German interest rates as fast as expected also hurt the dollar, traders said. Helmut Schiebel, a member of the bank's central council, said Monday that the Bundesbank must "resolutely" control money supply growth.

The U.S. labor secretary, Robert Reich, said Monday that he saw a danger of a rekindling of inflation, despite the sharp drop in the jobless rate. "We have a very long way to go," he said, "before the unemployment rate falls too fast."

The government is scheduled to release producer and consumer prices for November on Thursday and Friday. The reports will probably show that inflation is too low to prompt the Federal Reserve to raise its key discount rate. Ms. Reich said. Higher interest rates could make dollar-denominated deposits more attractive.

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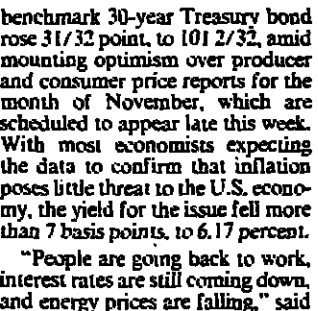
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The Dow Daily closings of the Dow Jones Industrial average 3600



3700 3600 3500 3400 J J A S O N D 1993

NYSE Most Actives

Table with columns: Symbol, Vol., High, Low, Last, Chg. Includes entries for Hanson, American Express, and others.

AMEX Most Actives

Table with columns: Symbol, Vol., High, Low, Last, Chg. Includes entries for NY Tim, American Express, and others.

NYSE Diary

Table with columns: Symbol, Close, Prev. Includes entries for American Express, Unchanged, Total Issues, and New Issues.

AMEX Diary

Table with columns: Symbol, Close, Prev. Includes entries for American Express, Unchanged, Total Issues, and New Issues.

NASDAQ Diary

Table with columns: Symbol, Close, Prev. Includes entries for American Express, Unchanged, Total Issues, and New Issues.

Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Includes entries for DJIA, DJIA-100, and others.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg. Includes entries for Industrials, Transportation, and others.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Includes entries for Composite, Industrials, and others.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Includes entries for Composite, Industrials, and others.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. Includes entries for Composite, Industrials, and others.

Dow Jones Bond Averages

Table with columns: Index, Close, Chg. Includes entries for 30 Bonds, 10 Industrials, and others.

Market Sales

Table with columns: NYSE 4 p.m. volume, NYSE adv. cons. close, NASDAQ 4 p.m. volume, and others.

N.Y.S.E. Odd-Lot Trading

Table with columns: Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, and others.

S&P 100 Index Options

Table with columns: Strike, Call, Put, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, and others.

NASDAQ Diary

Table with columns: Symbol, Close, Prev. Includes entries for American Express, Unchanged, Total Issues, and New Issues.

AMEX Diary

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NYSE Diary

Table with columns: Symbol, Close, Prev. Includes entries for American Express, Unchanged, Total Issues, and New Issues.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close. Includes entries for COCOA (LIVE), COFFEE (LIVE), and others.

Food

Table with columns: Close, High, Low, Prev. Close. Includes entries for WHITE SUGAR (MONTHLY), and others.

Metals

Table with columns: Close, High, Low, Prev. Close. Includes entries for ALUMINUM (CASH), and others.

Financial

Table with columns: Close, High, Low, Prev. Close. Includes entries for 3-MONTH STERLING (LIVE), and others.

1-MONTH EURO-DOLLARS (LIVE)

Table with columns: Close, High, Low, Prev. Close. Includes entries for 1-MONTH EURO-DOLLARS (LIVE), and others.

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Industrials

Table with columns: High, Low, Last, Settle, Chg. Includes entries for BASF (LIVE), and others.

Stock Indexes

Table with columns: High, Low, Close, Change. Includes entries for FTSE 100 (LIVE), and others.

Spot Commodities

Table with columns: Commodity, Today, Prev. Includes entries for Aluminum, and others.

Dividends

Table with columns: Company, Stock Split, Dividend, Ex-Dividend Date, and others.

Weekend Box Office

Table with columns: Title, Gross, Weeks, and others. Includes entries for Mrs. Doubtfire, and others.

U.S. FUTURES

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for WHEAT (CASH), and others.

Grains

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for WHEAT (CASH), and others.

Metals

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for COPPER (CASH), and others.

Livestock

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for CATTLE (CASH), and others.

Financial

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for 3-MONTH STERLING (LIVE), and others.

Stock Indexes

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for FTSE 100 (LIVE), and others.

Commodity Indexes

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for COPPER (CASH), and others.

U.S. / AT THE CLOSE

Mohawk Buys Another Carpet Maker

ATLANTA (Bloomberg) — Mohawk Industries Inc., the second-largest U.S. carpet maker, said Monday that it agreed to acquire the privately held Aladdin Mills Inc. in a stock-swap transaction valued at about \$430 million.

Mohawk will issue 13.5 million shares of its stock to Aladdin's owners, the Loberbaum family, which, in turn, would become Mohawk's largest shareholder with a 42 percent stake. Mohawk shares soared by \$2.87, or 10 percent, to \$31.375, following the merger announcement.

The transaction would be the fourth in a series of acquisitions that Mohawk has made in the past 14 months, investing a total of \$675 million. During that span, the company has wanted to the No. 2 spot in the U.S. carpet making business. With Aladdin and the three other purchases, Mohawk's annual sales will quadruple to about \$1.3 billion.

Another Bid for Hungary's Telecom

BUDAPEST (AFP) — U.S. West Inc. and France Telecom have formed a consortium to enter the bidding for a 30 percent stake in MATAV, Hungary's state-owned telecommunications company, Marcel Roulet, president of France Telecom, said Monday.

Nine bids have already been made for the stake in MATAV, the first telecommunications company to be privatized in Eastern Europe.

Boehringer to Buy Stake in CellPro

SEATTLE (Bloomberg) — CellPro Inc., a gene therapy company, said it could receive as much as \$220 million from Corange Ltd., the Bermuda-based parent of Boehringer Mannheim & DePuy, under agreements announced Monday.

Corange will invest \$110 million in CellPro's common stock and will also pay CellPro to acquire certain rights to therapeutic and diagnostic products being developed by CellPro.

Analysts said the alliance would help CellPro move quickly from product development to commercial sales. Boehringer Mannheim is the world's second-largest diagnostic company.

Dow Jones Carries New York Times

NEW YORK (Combined Dispatches) — Dow Jones & Co. said Monday that its business information services unit would begin in the spring of 1994 to electronically carry the daily news content of The New York Times that runs on the New York Times News Service.

The service from the New York Times distributes about 90 percent of the content of the daily paper. Financial terms of the deal were not disclosed.

For the Record

Boeing Co. said Dean Thornton will retire as president of its beleaguered commercial airplane group and be replaced immediately by Executive Vice President Ron Woodard.

Bear, Stearns & Co. said Robert Fink, former chairman and chief executive officer of Rothchild Inc., has joined the firm as a senior managing director in its investment banking division.

Weekend Box Office

Table with columns: Title, Gross, Weeks, and others. Includes entries for Mrs. Doubtfire, and others.

U.S. FUTURES

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for WHEAT (CASH), and others.

Grains

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for WHEAT (CASH), and others.

Metals

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for COPPER (CASH), and others.

WORLD STOCK MARKETS

Table with columns: Market, Close, Prev. Includes entries for Amsterdam, Brussels, and others.

Markets Closed

Stock markets in Helsinki and Madrid were closed Monday for a holiday.

Hong Kong

Table with columns: Symbol, Close, Prev. Includes entries for HSBC, and others.

Johannesburg

Table with columns: Symbol, Close, Prev. Includes entries for Anglo American, and others.

Milan

Table with columns: Symbol, Close, Prev. Includes entries for Eni, and others.

Singapore

Table with columns: Symbol, Close, Prev. Includes entries for Shell, and others.

Stockholm

Table with columns: Symbol, Close, Prev. Includes entries for Astra, and others.

Toronto

Table with columns: Symbol, Close, Prev. Includes entries for Alcan, and others.

Zurich

Table with columns: Symbol, Close, Prev. Includes entries for Nestle, and others.

London

Table with columns: Symbol, Close, Prev. Includes entries for British Airways, and others.

Montreal

Table with columns: Symbol, Close, Prev. Includes entries for Alcan, and others.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Includes entries for FTSE 100 (LIVE), and others.

Commodity Indexes

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for COPPER (CASH), and others.

Financial

Table with columns: Symbol, Open, High, Low, Close, Chg. Includes entries for 3-MONTH STERLING (LIVE), and others.

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### NASDAQ

Monday's Prices  
NASDAQ prices as of 4 p.m. New York time, compiled by the AP, consists of the 1,000 most actively traded securities in terms of dollar value. It is updated twice a year.

Stock	Div	Yld	PE	High	Low	Close	Change
Alcatel				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00
Amgen				110.00	108.00	108.00	-2.00

## London Weekend Resists Takeover By Granada TV

Compiled by Our Staff From Dispatches  
LONDON — London Weekend Television Holdings PLC said Monday that it rejected a takeover bid valued at £600 million (\$895 million) made earlier in the day by Granada Television Ltd., a unit of Granada Group PLC.

It said that Granada, a conglomerate with only 20 percent of its operating profit derived from television, has little to offer shareholders of London Weekend, a station that broadcasts in the London region on weekends.

Granada's chief executive, Gerry Robinson, said the two companies would make the best possible fit in the network of regional companies and license holders. He said they provided complementary programming, with London Weekend focused on light entertainment and the arts, and Granada on drama, comedy and news and documentaries.

If London Weekend does not merge with Granada, Mr. Robinson said it would be "squeezed by both program sellers and advertising buyers," and that it would not be big enough to effectively compete against new competitors, including other new delivery technologies.

Asked if Granada would sweeten its bid to win London Weekend, Mr. Robinson declined to comment.

London Weekend said that its board believed that the bid did not "reflect the past performance and future prospects of the company."

The bid was structured so that Granada offered six of its shares for every five London Weekend shares. Granada valued the bid at 580.5 pence per London Weekend share, but the offer gained in value during the day to 594 pence a share

### Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	139.70	139.00	+0.50
Brussels	Stock Index	7,283.16	7,206.57	+1.06
Frankfurt	DAX	2,118.80	2,120.81	-0.09
Frankfurt	FAZ	817.99	812.85	+0.63
Helsinki	HEX	Closed	1,543.49	
London	Financial Times 30	2,438.59	2,441.90	-0.14
London	FTSE 100	3,237.30	3,234.20	+0.10
Madrid	General Index	Closed	301.49	
Milan	MIB	1,242.00	1,211.00	+2.56
Paris	CAC 40	2,185.74	2,188.40	-0.08
Stockholm	Affarsvaerlden	1,583.59	1,576.34	+0.46
Vienna	Stock Index	478.58	464.22	+3.11
Zurich	SBS	968.87	964.47	+0.46

Sources: Reuters, AFP  
International Herald Tribune

### Credito Says Demand for Its Stock Is Heavy

MILAN — Credito Italiano SpA reported heavy demand from investors as Italy's first major privatization got under way on Monday.

"We have dealt with around 100 people in the first two hours," said Raffaella Strambi, who works in a Credito branch in downtown Milan.

Credito Italiano, Italy's sixth-largest bank, is expected to raise approximately 1.8 trillion lire (\$1.05 billion) for its debt-plagued parent, the state holding company Istituto per la Ricostruzione Industriale.

The sale of IRI's 67 percent stake in Credito, which is considered a test case for Italy's privatization plans, is scheduled to close Friday. The stock was priced at 9.6 percent below last Friday's close.

### Very briefly:

- Hervé Boesges, a supporter of the previous Socialist government, is stepping down as chairman of France Télévision, the state-owned broadcaster that runs the France 2 and France 3 channels.
  - AEG AG's supervisory board will meet Wednesday to discuss the sale of its AEG Hausgeraete business, which makes household appliances, to Electrolux AB; AEG is a subsidiary of Daimler-Benz AG.
  - Deutsche Aerospace Airbus GmbH, a unit of Daimler-Benz's Deutsche Aerospace AG, said Hartmut Mehdorn would step down as chairman on Jan. 1 and be replaced by Gustav Humbert, the plant director; Mr. Mehdorn remains a management board member of Deutsche Aerospace.
  - Saatchi & Saatchi Co. said new cost-cutting measures were likely to lead to £10 million (\$14.8 million) in severance costs, beyond the £5 million previously expected, and would reduce 1993 pretax profit.
  - Scottish & Newcastle PLC's pretax profit rose 1.6 percent, to £108.9 million, for the six months to Oct. 31, and it said its beer business and Center Parc leisure operation were performing well.
  - Abold NV, the supermarket chain with operations in the Netherlands and the United States, reported a 9.3 percent rise in net profit, to 72.9 million guilders (\$37.8 million), in the quarter ended Oct. 10.
- Reuters, AFP, AP

## German-French Phone Deal

PARIS — Germany and France's telephone companies, with one eye on a potential \$10 billion market and one eye on their rear guard, are set to announce on Tuesday joint-services to lure corporate clients, analysts said.

France Telecom and Deutsche Bundespost Telekom, Europe's two largest phone companies, may also announce during a news conference in Brussels that American Telephone & Telegraph Co. will be part of an international network they are creating to service multinational companies.

"We will be discussing our talks with AT&T about a possible role" it could play, said France Telecom spokesman Bruno Janet.

This arrangement could serve as the foundation for future alliances between France and Germany. It could even lead to a merger, analysts said. The companies may announce plans to swap small stakes in each other's businesses, analysts said.

"Telecoms need to be big companies to deliver what customers want," said Richard Ryder, an analyst at Salomon Brothers Inc. in London. Germany and France "are aggressively pursuing what Europe must do to advance its telecommunications policy."

It also is the start of the breakdown of Continental Europe's protectionist telecommunications policy. Up to now, each state-owned telephone company has tried — and succeeded — to keep others out of voice services.

The world market for data transmission and teleconferencing for multinationals is expected to grow to at least \$10 billion by the end of the decade. The market is in its infancy, but its potential has spawned alliances in recent months between British Telecom PLC and MCI Telecommunications Corp., and between the Spanish, Swedish, Dutch and Swiss phone companies.

"Five years ago a multinational would have been treated no differently from the average Joe," said Francis Woolten, an analyst at Paribas Capital Markets. "Obviously, now, that's crazy. A multinational needs high-speed services for computer links and many other needs."

Because each national phone company developed different technical standards for international services, the market for fast and reliable transmission of computer data across borders has only now begun to catch up with the voice transmission market, analysts said. For that reason, the companies have begun to set up their joint ventures to overcome the technical differences.

Some industry observers worry the France Telecom and Deutsche Telekom link-up is a preemptive strike to seal off their markets before others are allowed to compete for voice services in 1998. If the two join forces prior to that, analysts said, they may quietly develop their services without fear of competition.

### Bayerische Has 27% Rise in Operating Net

MUNICH — Bayerische Vereinsbank AG followed the recent trend in bank earnings on Monday by reporting record group operating profit for the first 10 months of 1993.

Operating profit rose 27.2 percent, to 921.5 million Deutsche marks (\$538.9 million).

The bank's chief executive, Albrecht Schmidt, said the bank intended to raise its dividend for 1993 by 1.5 DM, to 14.5 DM, and pay a bonus of 1.5 DM. He said the bank is planning a one-for-eight rights offering. The company was able to increase its payout despite sluggish economic climate and recent costs of establishing an extensive branch network in Eastern Germany.

### GATT: Disputes Linger

Continued from Page 1

traded with farm trade, long the most difficult U.S.-EC dispute. Agriculture Secretary Mike Espy and his EC counterpart, René Steichen, made it clear that they had reached a farm agreement that included significant amendments to the 1992 Blair House pact limiting export subsidies.

An EC official who spoke on condition of anonymity said the changes would phase in export subsidy cuts more gradually and partially exempt existing EC grain inventories, as France has demanded, allowing the Community to subsidize an additional 8 million tons of cereal exports over the six-year life of the pact. In addition, he said the United States had agreed not to attack EC farm programs for nine years.

French officials were questioning those figures Monday evening and demanding clear guarantees. In addition, Prime Minister Edouard Balladur of France, in a letter to Sir Leon and to Chancellor Helmut Kohl of Germany, demanded as the price for French support of any deal a speeding up of existing EC anti-dumping procedures and changes in the voting system that would make it easier to impose anti-dumping duties, according to Mr. Rexrodt.

"We will make clear that internal EC mechanisms should not be linked to GATT," Mr. Rexrodt said. Germany has been the leading opponent of French demands for stronger EC anti-dumping actions.

Although officials declined to confirm details of the market-access package, sources indicated that the Community had endorsed U.S. demands to eliminate tariffs on wood, pulp and paper products and steel and had agreed to a big reduction in its 14 percent tariff on semiconductor imports.

"The U.S. has been a little bit more flexible on agriculture for tradeoffs on the goods sectors," said Jeffrey Schott of the Institute for International Economics in Washington. He predicted the tradeoff would win strong backing in the U.S. Congress, as industrial goods are much more important than agricultural products to the U.S. economy and trade balance.

### Internationale Nederlanden Group

## First nine months 1993

ING Group achieved good results for the first nine months of 1993. Net profit rose by 11.0% compared with the first nine months of 1992. Profit per share went up by 7.4% to NLG 5.50.

Total assets increased by 4.2% to NLG 337.3 billion and shareholders' equity rose by 24.7% to NLG 19.4 billion.

The results have been determined in accordance with the new accounting principles which are being applied by ING Group as of 1993.

The figures for the first nine months of 1992 have been adjusted to the new accounting principles to allow a proper comparison.

The Executive Board expects that profit per share for the whole of 1993 will show a moderate increase.

Amounts in Dutch guilders	Nine months 1993	Nine months 1992	% change
(millions)			
Result before taxation	1,916	1,717	+11.6
Net profit	1,387	1,250	+11.0
(guilders)			
Net profit per share	5.50	5.12	+7.4
	30 September 1993	31 December 1992	
(billions)			
Total assets	337.3	323.7	+4.2
Investments	127.6	128.7	-0.9
Bank lending	145.2	139.3	+4.2
Shareholders' equity	19.4	15.6	+24.7



The report for the first nine months of 1993 can be obtained at the following address:  
Internationale Nederlanden Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands.  
Tel.: (+31) 20 541 54 60, fax: (+31) 20 541 54 51.







# Japan and Korea Reportedly Near Lifting Rice Ban

Compiled by Our Staff From Dispatches

GENEVA — Japan and South Korea appear to be on the verge of enacting one of the last major barriers to a new world trade treaty by agreeing to slowly open their fiercely protected rice markets.

Asian trade sources said they expected an announcement from both governments by next week, if the United States and the European Community resolve issues between them in the seven-year-old Uruguay Round of talks under the auspices of the General Agreement on Tariffs and Trade.

"There now seems no doubt that both Tokyo and Seoul are ready to lift the ban," one source said. "It is clear that both recognize they cannot stand alone or even together against the rest of the world and wreck the world."

Both governments, which face the bitter resistance of rice farmers and many political parties, could be risking their holds on power.

Indeed, protests against a recent rice import deal brought thousands of farmers and activists into the streets in Seoul, Kwangju and other Korean cities on Sunday and Monday. Riot police tear-gassed demonstrators in Kwangju.

But Tokyo and Seoul have the tacit support for allowing rice imports from other key sectors of their national economies.

With its removal of non-tariff barriers and lowering of import-duty levels by the 115 countries in the talks, the Uruguay Round offers rosy prospects for industries and service providers in many countries, including Japan and Korea.

The two governments have held back from any decision on rice while the United States and the European Community squabbled over trade rules.

"Now they are facing the moment of truth," said one diplomat from another country in the Asia-Pacific region.

Under an emerging GATT treaty, which must be finalized by Dec. 15, non-tariff barriers like import bans must be replaced with duties, a process known as tariffication.

That is one of the key principles of a draft Final Act for the round presented in December 1990 by Arthur Dunkel, then director-general of GATT.

Japan's government has negotiated for weeks with the United States on a deal to be taken to GATT that would ease the passage to tariffication.

Over the weekend, the U.S. agriculture secretary, Mike Espy, and South Korea's agriculture minister, Huh Shin Haeng, held discussions in Geneva focused on a similar formula to lessen the pain in Seoul.

(Reuters, AFP)

# Pressure's On Korea Firms As Growth Slows, Business Failures Rise

Bloomberg Business News

SEOUL — Once one of the Asia-Pacific region's fastest-growing economies, South Korea has been rocked by a string of business failures in recent months that has shaken its corporate community.

Last week's bankruptcy filings by two household products concerns, Kyungdong Industrial Co. and Ceramic Development Co., touched off a rout in the stock market last Thursday. Both companies fell prey to sluggish growth at home and mounting debt problems.

More broadly, Korean companies are struggling to find their way in an economy that is shifting away from labor-intensive basic industries and toward high-tech fields such as computer and semiconductor manufacturing.

South Korea's high wages, second only to Japan in the region, have made such traditional industries as housewares, textiles and toys uncompetitive.

Companies are also being hit by the style of President Kim Young Sam, who has introduced financial reforms that have chilled private investment and encouraged banks to take a tougher stance when it comes to lending and negotiating bail-out packages.

"Banks now want to treat companies as independent adults, not kids who need protection," says John Walle, an economist at BZW Securities.

That approach could mean more bankruptcies ahead. So far this year, eight major publicly traded companies have filed for bankruptcy protection. In October, 951 registered companies sought protection from creditors in bankruptcy court, the highest monthly tally this year.

The growing body count owes much to South Korea's sluggish growth this year. Just a few years ago, the economy was cruising along at 10 percent a year. This year, economists figure the country will be lucky to get half that growth.

While the government has pumped 1.4 trillion won (\$1.74 billion) into the economy earlier this year, much of it targeted at small and medium-sized companies, many are still struggling.

One reason is a reform measure announced by the government in mid-August to ban the use of phony names in market transactions. Uncertainty resulting from the move has chilled South Korea's stock, bond and so-called curb money markets.

Unlike large companies that have easy access to bank loans, small companies without much credit or collateral have traditionally relied on the high-interest curb money market, an informal capital market bankrolled by rich individuals.

With the influx of funds from the collapsed curb money market to banks, large companies have more

## In October, 951 registered companies sought protection from creditors.

bank loans to borrow. However, small companies with high credit risks suffer from "poverty amidst affluence," said Park Choon Ho, an economist at Daewoo Economic Research Institute.

Taken together, the economic slowdown and tight credit are taking their toll.

Kyungdong and Ceramic are typical of Korea's marginal companies, laboring under poor sales at home and hefty interest payments on loans taken on during the boom in the late 1980s.

Kyungdong, a kitchenware maker, borrowed heavily to set up new plants in Indonesia and Vietnam to head off rising wages in Korea. The result was a debt-to-equity ratio of 880 percent and financing costs that ate up 18 percent of sales.

Ceramic Development made a costly blunder when it diversified into waste treatment to help shore up its sagging core business of household appliances. The resulting debt burden soaked up 23 percent of total sales.

Unless the economy picks up soon, more highly leveraged South Korean companies could be in for a fall.

# Vietnam Plans 2 Bourses

Compiled by Our Staff From Dispatches

HANOI — Prime Minister Vo Van Kiet said Monday the government planned to speed economic growth and would set up two securities exchanges in Ho Chi Minh City and Hanoi as part of its plan to "get the country out of poverty."

Mr. Kiet, opening a session of the National Assembly, said the government's current target was at least 8 percent annual growth in gross domestic product, after reaching an annual average rate of 7.2 percent under its 1991-93 plan.

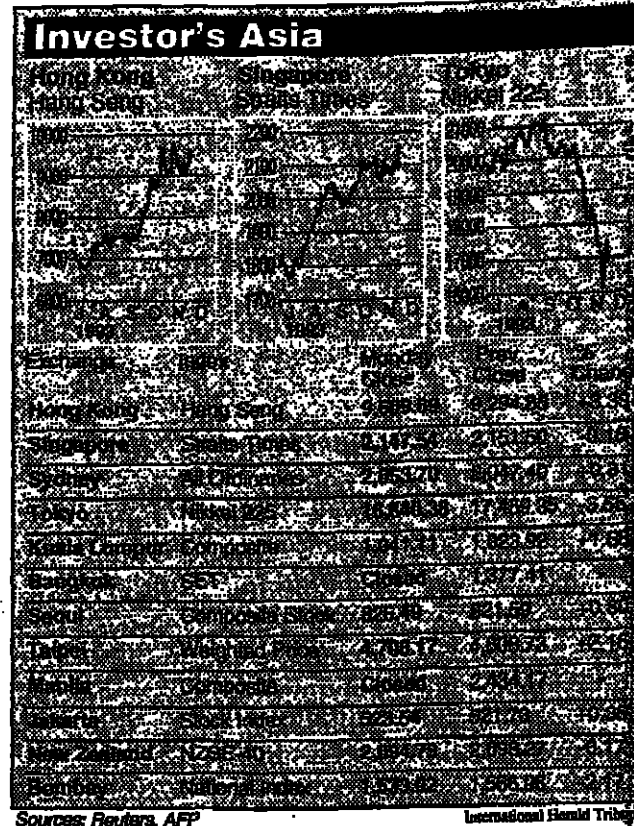
He said that inflation, which was 17 percent in 1992, would be down to single digits in 1993.

He affirmed Vietnam's intention to establish a market economy and said, "We have to prepare the conditions for trial running of stock exchanges in Ho Chi Minh City and Hanoi."

Vietnam had previously disclosed plans to open only one exchange, in Ho Chi Minh City, formerly Saigon, the country's business hub. That exchange is expected to open in 1994, initially dealing only in government bonds.

Mr. Kiet did not indicate when a Hanoi exchange might be established. But he said, "We have to develop the capital markets quickly, reorganize banking and finance accounts."

He also said the Vietnamese people needed to save more and should be encouraged to open savings accounts, use non-cash means of payment, buy government bonds and invest in insurance. (AFP, Reuters)



Sources: Reuters, AFP

## Very briefly:

- Sanyo Electric Co. plans to cut 4,700 jobs, or 15 percent of its total work force of 30,700, by November 1995, Kyodo News Service reported.
- Daiwa Bank Ltd.'s credit ratings were lowered by Moody's Investors Service Inc., which cited the Japanese bank's weak earnings outlook and its rescue of Cosmo Securities Co., the downgrading affects \$1.4 billion of long-term debt and an unspecified amount of short-term deposits.
- Dai-ichi Kangyo Bank Ltd., Asahi Bank Ltd., Sanwa Bank Ltd. and Bank of Tokyo Ltd. cut their short-term prime lending rates to a record low of 3.0 percent from 3.375 percent.
- China approved draft laws to liberalize its trade system and provide protection for the first time for investment coming from Taiwan.
- Mitsui & Co. and Da Posit Co. have agreed to jointly develop and market advanced composite materials in the Asia-Pacific region; advanced composite materials are lightweight materials such as fiber-reinforced plastics that are said to be as strong as metals.
- Japan's sales of imported vehicles rose 7.5 percent in November from a year earlier, to a total of 15,636 vehicles, or 3.9 percent of the market. (AFP, AP, AP)

## SICHUAN: A Province Gears Up

Continued from Page 9

Hong Kong and overseas Chinese tycoons and some of China's most powerful quasi-private conglomerates among its shareholders.

One agreement gives the company a majority stake in a new, 1.4 billion yuan stretch of highway and an option on building an 80 kilometer (50-mile) outer beltway for Chengdu.

What? (Holdings) Ltd. of Hong Kong has signed a series of agreements to build container transshipment ports at two cities along the Yangtze, the river connecting Sichuan to faraway Shanghai and the sea.

"We'll be investing in the area on a step-by-step process," said a company spokesman, who also detailed investments in a real estate development in Chengqing and a cable television system based in Chengdu.

It has not escaped Chinese officials in Chengdu that poor infrastructure is a barrier not only to growth but also investment.

The national and provincial governments have recently enacted policies to channel public funds and domestic bank loans into infrastructure, which has suffered as money went instead into speculative real estate and stock market investments.

"Two years ago we experienced some losses in bank borrowing," Mr. Liu said. "But now the government is giving much more emphasis to our infrastructure projects."

In Sichuan's case, its big labor force and extensive agricultural and natural resources are unlikely to join in China's export push unless improved infrastructure gives it better access to international and wealthy domestic markets on the coast.

# Cray Case Threatens to Raise Trade Tension Anew

By Andrew Pollack

New York Times Service

TOKYO — Cray Research Inc., the largest American supercomputer company, has had little success in recent supercomputer contract awards by the Japanese government, raising the possibility of new trade tensions.

"Cray has sort of been blown out of the water," Raul Mendez, president of International Systems Research, a supercomputer consulting firm in Tokyo, said. He said that Japanese companies had "bid incredibly low" for the contracts.

Japan's government is now buying 11 supercomputers as part of its

effort to stimulate the nation's slumping economy through increased public spending. The U.S. government, which has complained before about Japanese procurement practices, has said it was carefully watching the bidding.

Seven of the 11 contracts have been announced, and three of the winning machines are American-made. Scaburo Okamoto, vice minister for international trade and industry, cited those results as proof that the procurement system was an open one.

But the results so far show a pattern that has prompted Washington to express disapproval in the

past: American companies have been winning only when there were no Japanese competitors.

Cray won a contract, for its C-90 machine, for which it was the only bidder; the contract was for the replacement of a Cray computer already in use. The two other American computers were selected in cases that specified massively parallel processing, a new technology in which Japanese companies are barely competitive.

In four cases in which Cray's conventional supercomputers competed directly with Japanese machines, Fujitsu Ltd. won three times and Hitachi Ltd. won once.

Since a trade agreement on supercomputers was signed by the United States and Japan in 1990, American companies have won three bids out of 15 from Japan's government, not counting the latest procurements. But all the victories were uncompetitive.

Washington has said that the failure of American companies to win contracts in Japan in direct competition with Japanese concerns — combined with American companies' many victories over Japanese competitors in attracting European government contracts — suggests that the Japanese govern-

ment market is not fair and open.

## Japan Still Rejects Targets

Japan on Monday again rejected a U.S. demand to set numerical targets in promoting official procurements of telecommunications equipment, Reuters reported, quoting official sources.

The U.S. demand for quantifiable trade goals, which Tokyo has long resisted, was made again as the two countries resumed talks under a trade framework agreement reached in July between President Bill Clinton and then-Prime Minister Kiichi Miyazawa. The talks are expected to continue until Dec. 20.

# Indonesia to Talk With BAe About More Aircraft Purchases

Reuters

JAKARTA — Indonesia has authorized its air force to discuss buying 16 Hawk aircraft from British Aerospace PLC, foreign aviation sources said Monday.

BAe won an order in June for 24 Hawk trainers and ground-attack

fighters valued at about £500 million (\$745.8 million). The first aircraft are to be delivered in 1996.

The sources said the air force, which has about 80 combat planes, has been told by the government it could proceed with talks for more Hawks, but it was not clear when negotiations would start.

Air Chief Marshal Sir Michael Graydon, Britain's chief of air staff, visited Jakarta last week for talks with military leaders.

His visit came shortly after BAe said it might set up joint ventures with Indonesia on turboprop aircraft and cars.

The 24 earlier sales were for eight 100 Series two-seater fighters and 16 of the 200 Series planes, they added. Indonesia's military chief, General Feisal Tanjung, said in

June that the country planned to buy about 100 warplanes over 25 years to replace aging squadrons.

American-designed aircraft, including F-16 Falcons, F-5E Tigers and A-4E Skyhawks, form the backbone of Indonesia's present air-combat fleet.

## AMEX

Monday's Closing  
Tables include prices up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Change
12.50	11.50	AMER	0.50	4.8	15.0	100	115.00	114.00	114.50	+0.50
12.00	11.00	AMZN	0.20	3.5	18.0	100	110.00	109.00	109.50	+0.50
11.50	10.50	APPL	0.30	4.0	16.0	100	105.00	104.00	104.50	+0.50
11.00	10.00	DISC	0.40	4.5	14.0	100	100.00	99.00	99.50	+0.50
10.50	9.50	INTC	0.50	5.0	13.0	100	95.00	94.00	94.50	+0.50
10.00	9.00	ORCL	0.60	6.0	12.0	100	90.00	89.00	89.50	+0.50
9.50	8.50	SUNW	0.70	7.0	11.0	100	85.00	84.00	84.50	+0.50
9.00	8.00	TXN	0.80	8.0	10.0	100	80.00	79.00	79.50	+0.50
8.50	7.50	WAL	0.90	9.0	9.0	100	75.00	74.00	74.50	+0.50
8.00	7.00	YH	1.00	10.0	8.0	100	70.00	69.00	69.50	+0.50

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11.50	10.50	APPL	0.30	4.0	16.0	100	105.00	104.00	104.50	+0.50
11.00	10.00	DISC	0.40	4.5	14.0	100	100.00	99.00	99.50	+0.50
10.50	9.50	INTC	0.50	5.0	13.0	100	95.00	94.00	94.50	+0.50
10.00	9.00	ORCL	0.60	6.0	12.0	100	90.00	89.00	89.50	+0.50
9.50	8.50	SUNW	0.70	7.0	11.0	100	85.00	84.00	84.50	+0.50
9.00	8.00	TXN	0.80	8.0	10.0	100	80.00	79.00	79.50	+0.50
8.50	7.50	WAL	0.90	9.0	9.0	100	75.00	74.00	74.50	+0.50
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9.50	8.50	SUNW	0.70	7.0	11.0	100	85.00	84.00	84.50	+0.50
9.00	8.00	TXN	0.80	8.0	10.0	100	80.00	79.00	79.50	+0.50
8.50	7.50	WAL	0.90	9.0	9.0	100	75.00	74.00	74.50	+0.50
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# SAUDI ARABIA

INVESTING IN THE FUTURE

## FROM ENERGY TO SOCIAL SERVICES, THE GOAL IS SELF-RELIANCE

As the major swing oil producer within the Organization of Petroleum Exporting Countries, the Kingdom of Saudi Arabia is subject to both internal and external pressures over its oil production, which currently amounts to some 9.6 million barrels a day. The world's largest producer and exporter of oil, Saudi Arabia is able to control the "swings" of oil production by increasing or decreasing its oil output. Future production plans are being revised, partly due to the high level of operating costs and to the reorganization of Saudi Aramco and Samarec.

Three years after the Gulf War, the kingdom is taking stock and planning greater self-sufficiency for the future. On the economic front, the kingdom is paying the price - with continued budget deficits - for defense expenditure and the exceptional war costs, which amounted to more than \$55 billion. During the summer, King Fahd, Custodian of the Two Holy Shrines, named the 60 members of the Majlis Al-Shoura, or national consultative assembly; last September, he announced the long-awaited details of the provincial system of government. It remains to be seen whether or not this will bring a new element to the debate between the Islamic traditionalists and the modernists about the current style of rule.

Self-reliance is the overriding general policy objective in most sectors, whether in energy production, social services and education, agricultural production or defense.

Speaking about diversifying the economy at a seminar in London recently, Abdulaziz Al-Zamil, minister of industry and electricity, said: "A country with a diversified economy has a stronger economy. To diversify, multiple sources must be used. Together with petroleum and natural gas, Saudi Arabia has many mineral

deposits, which are processed to give a wide range of products. Our industrial development objective is to expand and diversify the production base, develop non-oil income sources and give the kingdom a degree of self-sufficiency.

"The industrial development during the past decades," he added, "has transformed the kingdom from a raw-material producing and exporting country to a country with advanced high technology."

The total value of exports at the end of last year amounted to approximately \$2.7 billion, according to Mr. Zamil, out of a total sales production of \$13 billion. There are about 450



Planning for self-sufficiency.

manufacturing plants in the export business, out of just over 1,000 plants with a total capital investment of \$33 billion. Last year, industrial growth was 9 percent.

There is constant pressure to seek even greater involvement by the private sector in the development of the non-oil industrial and manufacturing sectors. A massive return of private capital in 1992 and a series of privatization issues have led to vigorous activity on the stock exchange, where the market capitalization of more than 50 companies was estimated at \$62

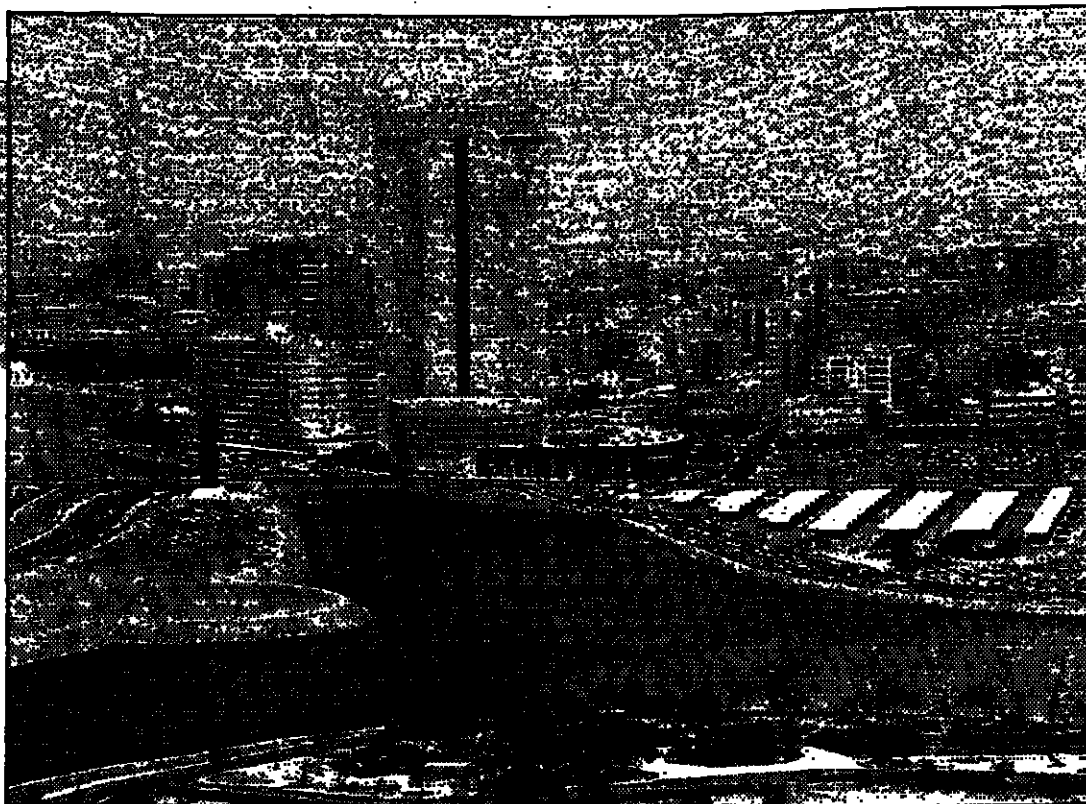
billion at the end of 1992, according to the Consulting Centre for Finance & Investment in Riyadh. Many offerings have been substantially oversubscribed; that of Saudi British Bank, which offered 1.2 million shares in February, was 26 times oversubscribed, for example. This was one factor that led the Saudi Arabian Monetary Agency (SAMA), the regulatory authority, to question some of the recent overbids, which led to a slowdown in the market.

While Saudi Arabia is trying to encourage more local investment, it is anxious to foster more joint ventures with overseas companies in the non-oil sector. Mr. Zamil has pointed out a significant shift in the Saudi Arabian market following the completion of a major part of the physical infrastructure over the past 20 years.

"We are now concentrating on economic diversification, with the emphasis on industry, agriculture, financial and business services," he says. "The main opportunities for foreign companies have therefore shifted away from contracting and services toward investment."

Pointing out some of the advantages of investing in joint ventures within the kingdom, he says that Saudi Arabia is one of the 30 largest economies in the world, with a total gross domestic product of more than \$82 billion. "We are a member of the Gulf Cooperation Council, which is a major free-trade area," he says. "The GCC is the largest importer of goods from the Organization for Economic Cooperation and Development. We are a modern, free-enterprise economy with political stability. Greater local industrial production is one of the main targets of our Fifth Development Plan (1990-1995). To achieve this, private local and foreign investors are being encouraged through

Continued on page 17



Modern downtown Jeddah with the National Commercial Bank (center) dominating the waterfront: "A diversified economy is a stronger economy."

## 'THE WELL TO THE WHEEL' PHILOSOPHY AND OTHER ECONOMIC GUIDELINES

Last August, the Saudi Arabian ambassador in London, Ghazi Al-gosaibi, issued an unprecedented statement to reassure the international financial community that all was well with the kingdom's economy, which will benefit from oil revenues of about \$38 billion this year. The statement followed various media reports that the economy had been undermined by Gulf War costs of more than \$55 billion, excessive defense expenditure and ambitious development plans in the wake of declining savings and falling oil prices.

"The reports do not represent a true picture," said Mr. Al-gosaibi. He pointed out that the gross domestic product for 1992 was \$110.2 billion, representing 26.5 percent of the total Arab GDP and making the Saudi economy the largest in the Arab world. In addition, there was a 4.9-percent growth in the oil sector and 5-percent in the non-oil sector in 1992. The assets of the commercial banks rose from \$61.9 billion at the end of December 1990 to \$82.1 billion at the end of last June. Over the same period, commercial bank deposits rose 33 percent, to \$51.2 billion, and bank

loans to the private sector were up 54 percent, to \$26.9 billion. Government-agency loans reached \$2.4 billion last year, and the private sector also subscribed a total of \$2.9 billion in new share offerings in 1992. Finally, Saudi Arabia continues to be the largest Arab exporter.

Oil revenues, which account for two-thirds of all revenue, amounted to \$45.8 billion in 1992, according to the Economist Intelligence Unit. This year, with falling oil prices, it may reach just over \$38 billion.

Although the kingdom has had a budget deficit for the last 10 years, expenditure has continued to increase the imbalance in spite of strong recommendations by the International Monetary Fund that stiffer controls be exercised and that massive subsidies (particularly for agriculture) be reduced. Wheat and barley subsidies this year will amount to more than \$1.6 billion. Last year, Saudi Arabia grew just under 4 million tons of wheat, making it the world's sixth-largest wheat producer.

Mohammad Ali Abalkhail, minister of finance and the national economy, has also tried to clarify his country's economic position. Commenting on

the budget deficit in a letter to the New York Times, he said that this would be financed through domestic bond issues "similar to the practice of all governments."

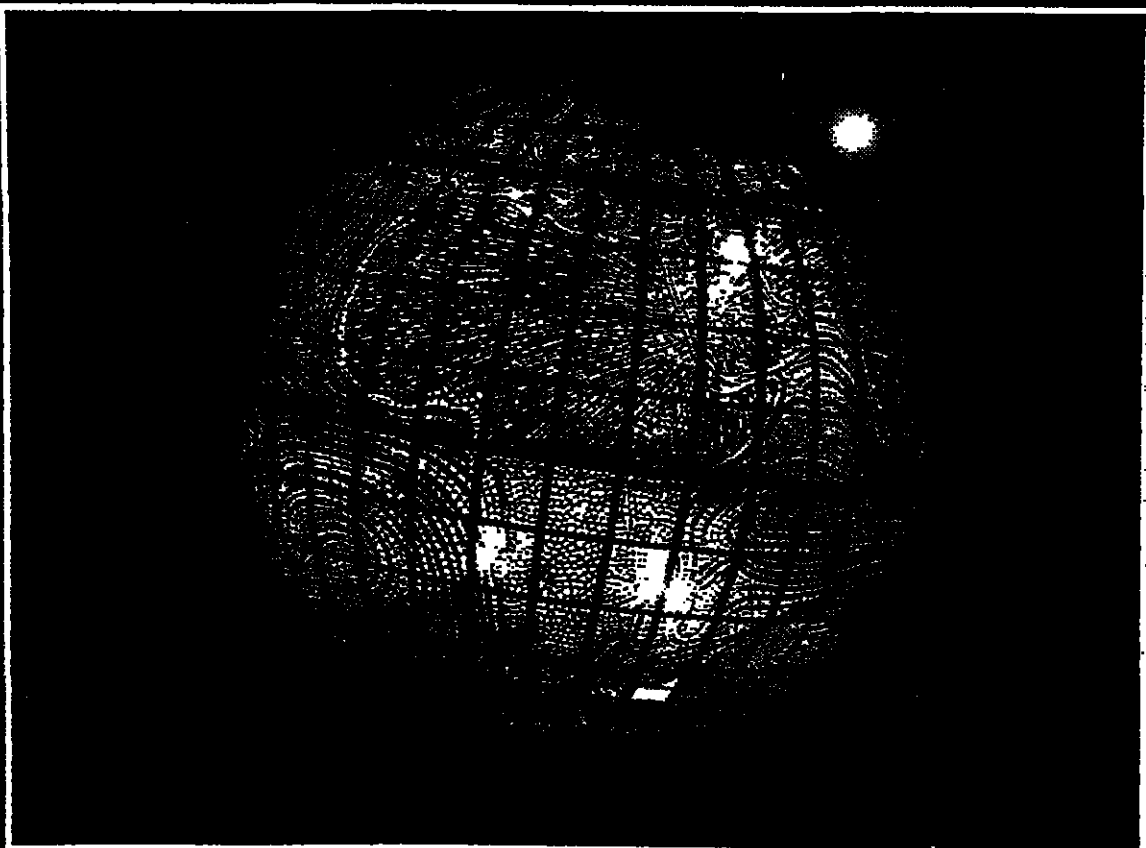
He continued: "Most of the public debt in the kingdom is an internal debt, and the amount borrowed by the kingdom abroad is very limited - not exceeding \$4.5 billion... the public debt does not exceed 5.2 percent of GDP, which is less than the maximum taken by the EC for its standard creditworthiness."

Western bankers feel that the kingdom will undertake more sovereign borrowing in order to maintain the level of finance needed to meet some key operating costs and expansion programs in the oil and petrochemical sector. The various government entities are also being encouraged to borrow from both the domestic and international banks.

Current oil production is more than 8 million barrels a day, and the plans are to increase production to 10 million barrels a day by the end of 1994. Further expansion, however, is likely to be limited, according to industry

Continued on page 18

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شركة كبلات السعودية



ADVERTISING SECTION

ADVERTISING SECTION

# BANKING SECTOR AND STOCK MARKET POST IMPRESSIVE GAINS



Riyad Bank is the kingdom's largest in terms of equity.

The recapitalization of Saudi Arabia's largest commercial bank, together with steady results for the other financial institutions during the first nine months of this year, confirm that the kingdom's banking sector remains healthy and profitable.

Figures released in November by the National Commercial Bank for 1992 show that its net income rose impressively, from 159.2 million Saudi riyals (\$42.5 million) to 427.8 million Saudi riyals. With assets of 63.7 billion Saudi riyals, NCB is the largest bank in the country.

The 10 other banks that have reported results for the nine-month period ending in September this year have

all experienced a rise in profits as well. Bank al-Saudi al-Fransi, whose minority partner is Banque Indosuez, recorded an impressive 60-percent rise in net earnings, which reached 269 million Saudi riyals. Saudi British Bank also saw its net profits improve remarkably; these rose 50 percent, to 299 million Saudi riyals. Albank AlSaudi Alhollandi's profits amounted to 136 million Saudi riyals, up almost 48 percent by the end of September, and already above the level earned for the whole of 1992.

The combined assets of the 10 banks rose by 10.9 percent, to 250.1 billion Saudi riyals, over the 12-month period preceding the

end of September. In terms of assets, Riyad Bank is ranked second, behind NCB, with a total of 54.1 billion Saudi riyals, followed by the Saudi American Bank (Samba), with 40.2 billion Saudi riyals; the Arab National Bank (ANB), with 31.8 billion Saudi riyals; and the Al-Rajhi Banking and Investment Corporation, with 30.5 billion Saudi riyals.

Customer deposits of the 10 reporting banks were up 7 percent during the 12 months preceding September, with Samba recording the largest share: 30.2 billion Saudi riyals.

Many Saudi banks continue to invest substantial sums in securities, including Saudi government

bonds. The Arab National Bank, Saudi British and Riyad Bank are reported to be particularly active, according to the Middle East Economic Survey. With the government needing to finance a deficit, which this year is expected to reach 27.8 billion Saudi riyals, bank balance sheets can be expected to continue to expand in this sector. There are signs, however, that some financial institutions are no longer happy with lending to state agencies and companies, given the relatively lower returns and longer credit terms.

Many banks are hoping that they will be allowed to take positions in Saudi Arabia's stock market. At present, they can only buy or sell on behalf of customers, and brokers are not permitted. While the market is currently below the peaks reached in April 1992, its growth has been phenomenal as private-sector confidence has mushroomed. From an average capitalization of just 75.9 billion Saudi riyals in 1986, it had reached a total of 244.1 billion Saudi riyals by the end of last year.

Trading growth has been impressive. The value of shares exchanged last year amounted to 13.7 billion Saudi riyals—more than 16 times as high as in 1986. The number of transactions

carried out over the seven-year period has risen even more, by a factor of about 25.

The banks have been benefiting from the market's growth, with several having raised their capital in the past year or two through public flotations.

Riyad Bank, which was capitalized at 6.973 billion Saudi riyals at the end of September, making it the largest in the kingdom in terms of equity.

NCB, which is privately held by prominent Saudis, has also raised new capital. Including its statutory re-



Saudi Investment Bank offers investors a walk-in lounge.

# MERGER CREATES WORLD'S LARGEST OIL GROUP

For well over a year, discussions have been taking place about a merger between Saudi Aramco and Samarec, the two largest state oil entities. This finally took place last June, creating the world's largest single oil group, which will become a direct competitor with companies like Royal Dutch Shell, Venezuela's PDV and America's Exxon.

According to a leading Saudi oil man, this merger is only the first stage of what is hoped will be a totally integrated operation, combining crude-oil production, refinery operations, lube-oil production, transportation and global marketing of all Saudi-based products as well as those from its overseas interests in Europe, the United States and the Far East.

Initially 9.6 million barrels a day, Samarec is the refining and marketing arm of the industry, although not all refining capacity has been in the hands of the company. A clash of inter-

**Saudi Aramco's capacity: 9.6 million barrels a day**

ests, overlapping management and a somewhat inconclusive strategic oil policy were partly responsible for the takeover by Saudi

changes in responsibilities among senior executives; these have yet to take place.

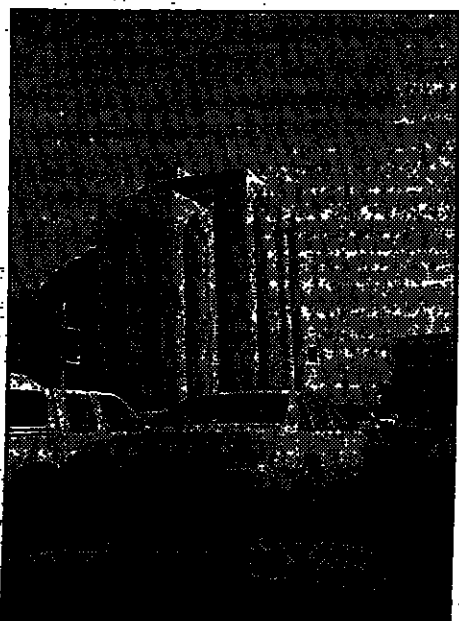
Saudi Aramco has also taken over most of the activities of the General Petroleum and Minerals Organization (Petromin), including Petromin's interests in the three major joint-venture export refineries—Shell (Jubail), Mobil (Yanbu) and Petro (Rabigh). These are in addition to its wholly owned refineries at Riyadh, Jeddah and Yanbu, which are mainly aimed at the domestic market.

with a Texaco subsidiary in the United States. This led to the formation of Star Enterprise, the sixth-largest seller of gasoline in the United States. It also gave the company a 50-percent share in three major refineries, with a guaranteed outlet for 600,000 barrels a day of Arabian crude.

In 1991, Saudi Aramco bought a 35-percent share in the SsangYong Oil Refinery, South Korea's third largest, with a capacity of

up to 325,000 barrels a day. SsangYong plans to build a refinery in China. Another ambitious \$8 billion refinery plan, originally agreed upon two years ago in Japan, has just been halted because of a reported policy disagreement among the Japanese partners, Nippon Oil and Nikko Kyodo. A reciprocal project to build a joint Japanese-Saudi refinery in the kingdom has also been dropped.

Lee Voysey



Petromin: style, substance and takeover.

Originally, \$17.5 billion had been slated for upgrading the kingdom's refineries: \$1.5 billion of this amount was slated to rebuild and expand the giant export refinery at Ras Tanura (owned by Saudi Aramco), which was damaged by fire two years ago. The U.S. Brown & Root is managing the project, which will raise output to 300,000 barrels a day, rising to a possible 600,000 barrels a day. Final contracts are expected to be awarded by the end of next year.

Five years ago, Saudi Arabia first began to expand its international investments in the oil business as a step toward a more fully integrated operation. This began in late 1988 with a joint venture

Saudi Aramco was formed in 1988 to continue operations carried out by the Arabian American Oil Company (Aramco), whose shareholders were the oil majors—Chevron, Texaco, Exxon and Mobil—together with the Saudi government, which had been steadily increasing its interests in the company.

Saudi Aramco is the largest oil-producing company in the world, with a current capacity of approx-

imately 46,000 employees of Samarec and its 12,000 employees. The merger is expected to lead to some drastic staff rationalization and many

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • John M. Roberts, based in Edinburgh, is editor of the monthly newsletter Middle East Monitor. • Pamela Ann Smith, based in London, writes often about Middle East issues. • Lee Voysey is a free-lance writer based in Britain who often writes about the Middle East.



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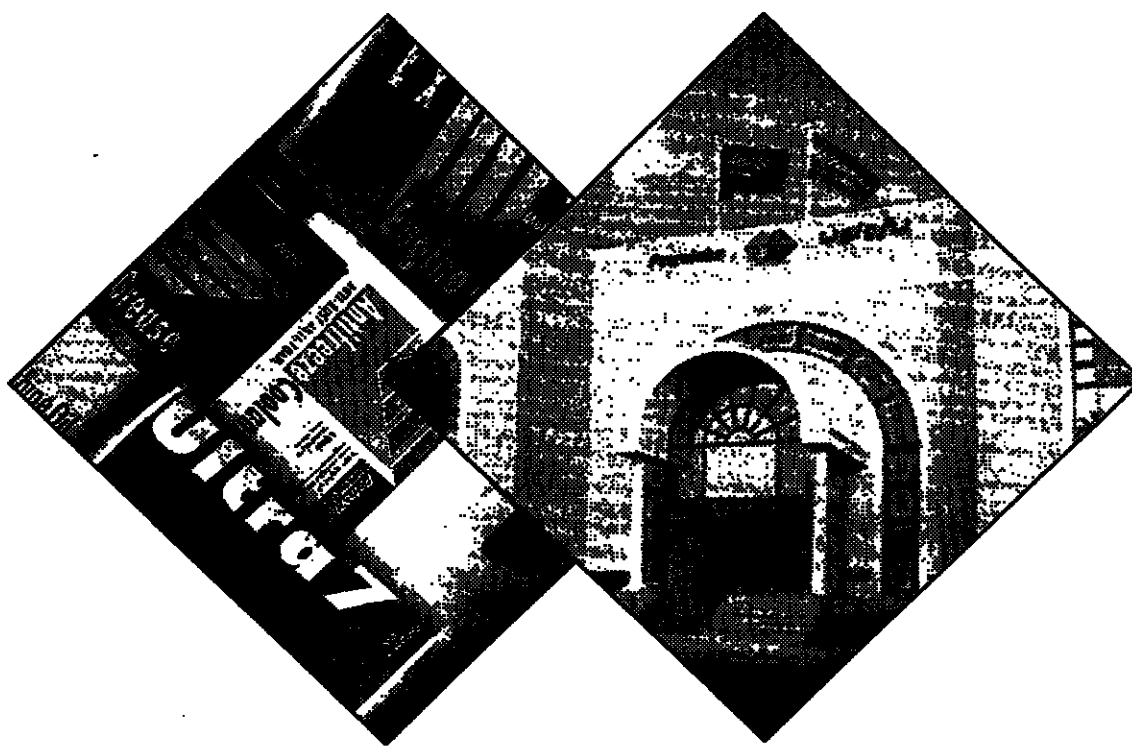
Al Faisalia Group is a conglomerate bringing together some of the top international and domestic brand names in their chosen field of endeavor, under one corporate umbrella. Most of these companies are well-known in the Kingdom in their own right.

**Modern Electronics Est.**  
Modern Electronics Establishment is the sole distributor of Sony consumer products, Sony professional products and Hewlett Packard products in the Kingdom of Saudi Arabia. Now a subsidiary of the Al-Faisalia Group, Modern Electronics Est. was founded in 1970 with offices in downtown Jeddah. It had just five employees and a turnover of US\$500,000. Today MEE's total staff strength has grown to over 400 employees with offices and showrooms all over the Kingdom and a turnover of US\$250 million.

**Modern Petrochemicals Est.**  
Ethyl's petroleum additives and industrial chemicals  
Founded in 1983, MPE is the distributor for Ethyl Corporation, an American chemical giant. These products are finding wide acceptance in the petroleum and petrochemical industries throughout the Kingdom. MPE stands as a promising petrochemical entity dedicated to the petrochemical future of the Kingdom by being an outlet through which know-how and high-tech can be brought home.

**Al Safi Dairy Est.**  
Founded in 1978, Al Safi is the world's largest integrated dairy company, located 100 kms south of Riyadh, in the Al-Ruhay area. Al Safi was the first fresh milk dairy farm to be awarded the coveted quality mark by SASO - the Saudi Standards Organization - for 1988, and then in 1990, 1991. With a large herd, numbering over 20,000 and still growing, Al Safi has nearly 11,000 milking cows at any one time, and an annual milk production of over 75 million litres. The farm itself is spread over an area of some 40 sq. kilometres. Al Safi provides consumers with fresh dairy products daily including Milk, Ladan, Yogurt, Ladan, Longlife milk and a variety of flavoured milk products.

**Al Faisalia Agriculture Est.**  
Located in the fertile Wadi Fatima, to the north of Makkah, over an area of two million sq. meters, this greenhouse farm produces a variety of vegetables including tomatoes, cucumbers, peppers, green beans and many others. It also grows many kinds of flowers such as carnations, roses and others. Although it now caters to the Jeddah/Jeddah area, it intends to grow larger and provide many other Saudi cities with its products.



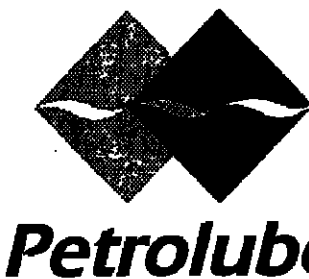
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A landmark of the oil industry: Petrolube's headquarters in Jeddah.

## A COMPETITIVE NEW BREED OF COMPANY

One of the flagships of Saudi Arabia's oil industry is Petrolube, the Petromin Lubricating Oil Company, which this year celebrates its 25th anniversary. "It is typical of the new breed of Saudi companies, which are expanding their market horizons and helping the kingdom build its trade balance," says a top government official.

The kingdom's oldest downstream joint venture, Petrolube is 71-percent owned by Petromin (the General Petroleum and Minerals Organization) and 29-percent by Mobil. The company was restructured in 1988 and given control of all Petromin's lubricant operations. It now acts as a commercial entity competing freely in the Middle East and other parts of the world.

With a total designed blending capacity of more than 6 million barrels a year, Petrolube supplies about two-thirds of Saudi Arabia's lubricants. About 40 percent is sold under its brand name Petromin Oils, and the rest through blending and packaging agreements for other brand-name accounts. These include Elf, Valvoline, Toyota and Mobil, which - together with Petromin Oils - have a 60-percent market share in Saudi Arabia.

"Our goal of producing an ever-growing range of world-class prod-

ucts to fulfill our customers' lubricating needs and our dedication to the continuous improvement of those products is the focus of our corporate mission," says Ahmed M. Alkhereiji, chairman and president of Petrolube.

More than 100 lubricants are marketed under the Petromin Oils brand; these are blended at plants throughout the region and in several other parts of the world. Petromin has plants in Jeddah, Riyadh and Jubail; last year, it opened a blending operation in Cairo, Egypt, which supplements existing operations in Casablanca and Rotterdam. Industry sources are expecting Petrolube to open further blending plants in Malaysia and possibly Spain and Lebanon.

Petrolube's main product lines include gasoline motor oils, diesel-engine oils, turbine oils, brake fluids, automatic transmission fluid, marine oils, hydraulic fluids, transformer oils, antifreeze, sewing-machine oils and metalworking fluids.

With its multimillion-barrel production capacity, Petrolube is thought to serve more export markets than any other Arab-owned industrial company. Before any product reaches the market, it is subjected to exacting tests at Petrolube's three laboratories. These are operated at such high standards that other Saudi government

agencies often ask Petrolube to carry out independent tests on other products for the Saudi market.

Quality has always been the key to Petrolube's success. It was one of the first lubricant manufacturers in the kingdom to receive the Saudi Arabian Standards Organization (SASO) quality mark of approval. It is now completing formalities for recognition by the International Standards Organization next year.

Petrolube's products are derived from Arabian light crude, known for the quality of its constituent properties. The base oils are supplied by a sister company, Luberef, the Petromin Lubricating Oil Refinery. At the blending plants, these oils are enhanced with chemicals and other compounds to improve their quality, composition and performance.

There is constant pressure to meet and exceed the exacting demands of Petrolube's customers around the world, who want the most up-to-date lubricating technology. The latest example is Petrolube's recent introduction of the American Petroleum Institute's SH category of motor oil to Saudi Arabia. This has been applied by upgrading the specific gravity of Petromin Oils flagship product, Ultra 7, to API SH 20W 50.

L.V.

## QUESTIONS ON FUTURE OF KINGDOM'S OIL

In 1933, Saudi Arabia signed the first oil-concession agreement with Standard Oil of California, the forerunner of today's Chevron company. Five years later, the first commercially viable oil field was discovered at Dhahran; in 1939, the first crude oil was shipped for export. Today, Saudi Arabia holds 26 percent of the total proven oil reserves in the world, and it is the largest producer in the Organization of Petroleum Exporting Countries.

With Saudi Arabia's current oil production at around 8.5 million barrels a day, there are signs that the major capital-expansion program an-

Outlook is 'not great' for new discoveries

nounced four years ago to substantially boost production to as much as 11.5 million barrels a day by the latter half of the decade is now being revised.

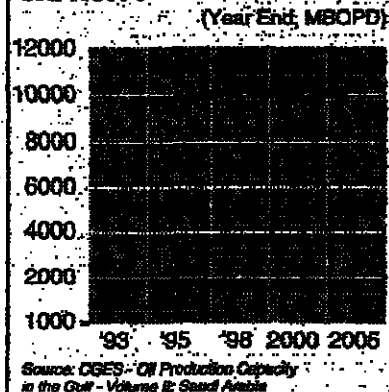
Industry sources in Jeddah and Dhahran suggest that a major reappraisal of crude-oil production and the upgrading and construction of new refineries is under way, following the takeover of Samarec, the state oil-marketing agency and refinery operator, by Saudi Aramco.

In its latest report on the Gulf oil scene ("Oil Production Capacity in the Gulf, Volume 11, Saudi Arabia"), the London-based Centre for Global Energy Studies raises some pertinent questions about the future of the Saudi oil industry after the Gulf War and the kingdom's subsequent impressive production, which leapt by 3 million barrels a day within a few months.

The report asks whether it is realistic to expect a capacity of between 11 million and 12 million barrels a day by the end of this decade, or by the year 2005. Other questions concern the kingdom's priorities regarding oil-field development and the amount of investment needed to expand production capacity and to maintain existing capacity.

"Crude-oil production capacity is now about 9 million barrels a day,"

### ESTIMATES OF MAXIMUM SUSTAINABLE PRODUCTION CAPACITY



Source: CGES - Oil Production Capacity in the Gulf - Volume 11 - Saudi Arabia

such as Shaybah will have to be developed by then and other oil fields such as Harmaliyah, Khursaniyah and Khurais will have to be brought back into production. The development of Shaybah alone is expected to cost between \$4 billion and \$7 billion.

CGES estimates that the annual capital expenditure to maintain existing production capacity ranges from \$1.5 billion to \$2 billion a year. Additional capital expenditure to increase production capacity is likely to be between \$250,000 million and \$1 billion a year, or the equivalent of up to \$1 per barrel produced.

These costs exclude the operating expenditures, which are thought to be higher than the capital costs, adds the report. "However, the operating costs are expected to be reduced following the recent cost reductions and organizational reviews being conducted within Saudi Aramco."

Commenting that even Saudi Arabia, the possessor "of the world's largest proven reserves," has to spend large amounts just to maintain present production levels, CGES states that most production is likely to come from existing producer fields over the next seven years.

"This has important implications, one of which is that Saudi Arabia's oil production is unlikely to be able to grow that rapidly. Even if these fields' oil reserves are revised upwards - as often happens - this usually tends to extend the fields' production profile rather than boost their rates of output."

CGES concludes that the outlook for new discoveries and their contribution to production "is not great, according to Saudi Aramco's development program."

L.V.

## THE UPS AND DOWNS OF PETROCHEMICALS

Policy reappraisals and capital-spending cutbacks in the light of falling oil revenues have already begun to have an effect on the future of the downstream and petrochemical industries in the kingdom.

While eager to produce more feedstock and increase the added value of semi-manufactured products in the petrochemical industries, planners are taking stock before embarking on future developments.

One of the biggest surprises earlier this year was

the unexpected cancellation of a \$500 million MTB (a petroleum additive) plant at Yanbu on the Red Sea

Sabic: an \$8 billion expansion program

coast. This was to have been a joint venture (called the Arabian American Chemical Company) between Mobil and the Arabian Chemical Investments Co. (ACIC), a private company headed by Luay Nazer, son of the Saudi Arabian oil minister. The

plant was to have produced 800,000 tons of MTB a year. Industry analysts suggest that the cancellation may have been due in part to the Saudi Aramco-Samarec merger and the need to review some major projects.

Saudi Basic Industries Corporation (Sabic), however, is going ahead with a planned \$8 billion expansion investment for its petrochemical and other plants. This includes a number of "de-bottlenecking" projects. Altogether, it will raise the annual pro-

duction capacity of its plants from 13 million tons to 20 million tons by 1995.

Last August, a major expansion project at Petrokemya - a wholly owned Sabic subsidiary in Jubail - was completed as its new olefins plant came on-stream. This will eventually double manufacturing capacity to 1.8 million tons a year of ethylene, propylene, benzene and butadiene.

Japan's Mitsui Engineering & Shipbuilding provided the \$1.2 billion flexible feedstock cracker, and Italy's TPL is building an extension for additional butene production. The U.S. company Litwin Engineers & Contractors is designing a polystyrene expansion plant, and Petrokemya is said to be considering an additional ethylene cracker.

Ibrahim A. Ibn Salamah - Sabic's vice chairman and managing director as well as chairman of Petrokemya - describes the current expansion as the most important second-generation project. "This is Sabic's first multiple-feedstock cracker that can convert heavier feedstocks such as propane, butane and naphtha, enabling the corporation to further diversify its downstream-product portfolio," he says.

The project will mean additional exports for us."

Technologies used by the new Petrokemya plants are M.W. Kellogg's millisecond (ethylene), Institut Français du Petrol's hydrogenation, BASF's butadiene process and Lummus's benzene process.

Two other Sabic companies will use Petrokemya's propylene as feedstock for two new products. Ibn Zahr (Saudi European Petrochemical Co.) will be producing polypropylene, and Samad (Al-Jubail Fertilizer Co.) will produce 2-ethyl hexanol (2-EH) by 1995.

Benzene will be used for styrene production at Sadaf (Saudi Petrochemical Co.), another of Sabic's 15 world-class plants. Butadiene, a raw material used for manufacturing certain kinds of rubber, will be exported overseas until Saudi Arabia is able to build its own rubber-processing plants.

"Synergy and integration have been key elements in the expansion of Sabic's world-class manufacturing operations over this last decade," says Mr. Salamah. He points out that Petrokemya's new cracker demonstrates that Sabic is rapidly attaining its goals of diversification and contributing to national exports and import substitution.

As part of its worldwide marketing strategy, Sabic has just announced the opening of a new office in Italy. Earlier this year, it opened one in Germany, and it is expected to open another in France in the near future.

L.V.

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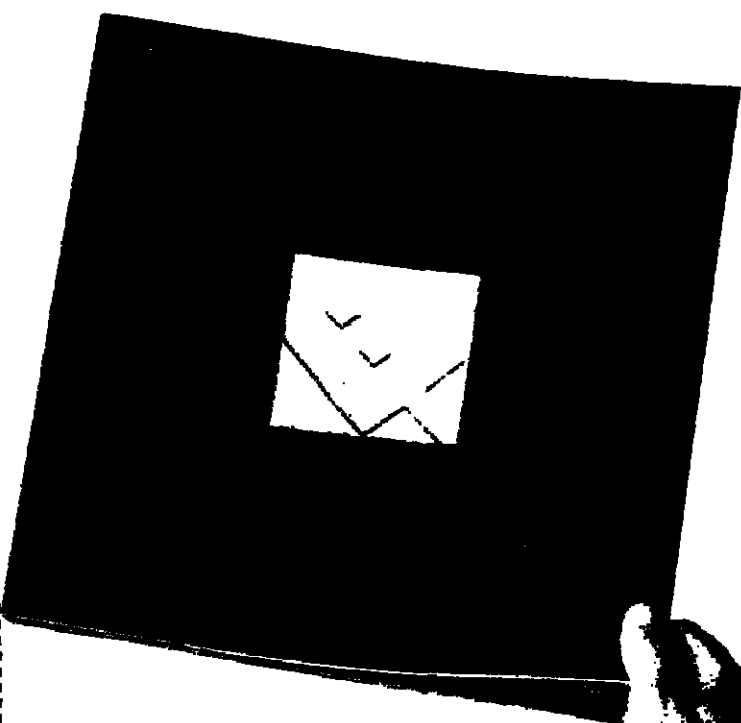
Tamer, ranking in the Top One Hundred Saudi Companies, aims to expand its current activities through vertical integration focused on industrial projects.

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# THE WORLD IS ITS MARKET (AND NOT MERELY FOR OIL)

Saudi industry is no longer synonymous with petrochemicals. The kingdom produces a wide range of products, from advanced electronics to basic raw materials such as cement. Its market is the world, as companies such as the Dammam-based National Filter Company rack up millions of dollars in exports of oil and air filters, which it now sells not only to the Gulf, but also to Europe and the United States.

The point was made emphatically by Abdul Jarim al-Mudaris, the secretary-general of the Arab British Chamber of Commerce, when he explained why the Saudi public and private sectors had joined together to mount a major "Made in Saudi Ara-

**'Kingdom is not merely sand, camels and oil'**

bia" exhibition in London earlier this year.

"Too many people, even in the business community, still labor under the mistaken belief that Saudi Arabia is merely sand, camels and oil," said Mr. al-Mudaris. "This exhibition, showing the modern, industrializing Saudi state, is meant to dispel that view." More than 50 companies displayed their wares at the show, which featured products from most of the major private-sector groups, such as Olayan, Binladin and Albattain, as well as the high-tech output from joint ventures fostered by the country's various offset programs.

Saudi industry is not the sole prerogative of the big names, however. With the completion of basic infrastructure services, there are some positive signs that small businesses, which are inherently more flexible than large enterprises, may now be set for a period of sustained expansion.

Around 80 percent of all manufacturing establishments in the kingdom are thought to be in the small or medium category; this is a somewhat lower proportion than that in most de-



From electronics to syringes, "Made in Saudi" includes far more than oil.

veloped economies, reflecting the continuing dominance of the big state and merchant family concerns. The smaller enterprises, however, account for 60 percent of all jobs in industry, and they are successfully carving out a role for themselves as subcontractors and components suppliers to larger enterprises.

These companies are playing their role in contributing to the country's non-oil exports. While crude oil and petrochemicals naturally constitute the bulk of Saudi exports, in 1992 the kingdom managed to export no less than 3.52 billion Saudi riyals (\$940 million) worth of non-hydrocarbon manufactures — up 15 percent on 1991 levels. In September, Industry Minister Abdulaziz al-Zamil said that Saudi national products had now proved their worth and were being exported to more than 80 countries.

Apart from petrochemicals, the biggest concentration of industry is in two sectors — metals, and the food, beverages and animal-products sector. In 1989-1990, each of these accounted for just over one-fifth of all private-sector industrial activity. Metal industries were worth 7.6 billion Saudi riyals; the foodstuffs sector, 7.3 billion Saudi riyals; construction product output, 4.7 billion Saudi riyals; and machinery, appliances and equipment, 4.2 billion Saudi riyals.

Since 1990, the industrial sector has continued to expand. Some 250 new licenses for industrial projects were

issued in 1990 and a further 349 in 1991. This year, more than 100 new licenses were issued in the first quarter alone, for a variety of projects ranging from refrigerator and freezer production to insecticides, detergents, automobile spare parts and accessories, and veterinary medicines. The Industry Ministry put the projected capital to be used at around \$600 million.

The Ministry of Planning estimates that the kingdom now has more than 2,400 factories, with a total investment value estimated in excess of \$33 billion, compared with only 1,000 factories 15 years ago. Last year, industrial growth was estimated to have reached 6.4 percent. Since the Gulf War, the construction sector has fared particularly well, fueled by demand for private homes and with new companies such as the Riyadh Construction Company springing up to take advantage of the building boom.

Although progress has been hampered by cement and concrete shortages, a series of projects intended to expand existing cement works or to build new ones looks likely to ensure a near doubling of domestic cement production in 1994. At least one of the companies expanding its existing facilities, the Southern Province Cement company, is already a significant exporter. In 1992, local cement sales totaled 1.4 million tons, while foreign sales totaled 211,408 tons.

John Roberts

## TALE OF TWO CITIES, CREATED BY ROYAL COMMISSION

Founded in 1975, the Royal Commission for Jubail and Yanbu has been responsible for some of the most impressive industrial developments in the Middle East.

Created to establish the two industrial cities of Jubail — located on the Gulf in the Eastern Province — and Yanbu, which adjoins the Red Sea coast in the west, the Royal Commission has become a textbook case of successful industrial development and promotion. Jubail, for example, now houses the largest concentration of manufacturing complexes and industrial services in the Arab world.

While the Ministry of Industry has followed the commission's lead and is now setting up smaller industrial cities throughout the kingdom, RCJY is looking to the future. In addition to promoting secondary and tertiary industries in Jubail and Yanbu, the commission is also considering marketing its promotion services further afield.

One international recommendation under considera-

tion is that the commission play a key role in helping to foster joint industrial cooperation between Saudi Arabia and other Middle Eastern countries, such as Egypt, Jordan, Syria and Turkey.

The Jubail industrial area was designed to cover 900 square kilometers (350 square miles) on a site 80 kilometers (50 miles) north of Dammam. Yanbu was established on a location covering 150 square kilometers, located 350 kilometers north of Jeddah. Forming the backbone of development in the twin cities are heavy industries, including oil, gas and petrochemicals, and other sectors that demand high energy inputs or petrochemical feedstocks.

Many of the projects now established were carried out by foreign multinationals, often in partnership with Saudi agencies such as the Saudi Arabian Basic Industries Corporation (Sabic). In addition, both cities have advanced modern ports for industrial and commercial cargoes.

P.A.S.

## WHEAT, FLOWERS AND OTHER EXPORTS

Air travelers may be baffled by the huge circles of green dotting the desert landscape as they approach Riyadh airport. For Saudis, however, the idea of being a major agricultural producer is nothing new.

Thanks to generous government subsidies, billion-dollar investments in water resources and other support for training schemes, marketing and agricultural research, the Kingdom of Saudi Arabia is not only self-sufficient in wheat but is also an exporter of foodstuffs and other agricultural produce.

The kingdom's average annual output includes almost 4 million tons of wheat, 700,000 tons of dates, about 2.6 million tons of fruits and vegetables, 270,000 tons of poultry and almost 300,000 tons of milk and other dairy products, as well as some

46,000 tons of fish, according to government figures.

Using the modern distribution, packaging and processing facilities set up by the Saudi Fisheries Company (SFC), Saudi shrimp and other seafood are flown to destinations in other parts of the Middle East, Japan and the United States. European countries such as Switzerland, Italy, Britain and the former Soviet republics import Saudi wheat, chicken and vegetables. Both the United States and the Netherlands are major buyers of Saudi flowers, a rapidly growing export crop.

With an average annual rainfall of only about 100 millimeters a year, the development of water resources has been a key element in such achievements. While agricultural development in the past has used water from

non-renewable fossil aquifers, the emphasis is increasingly placed on the use of water from the country's huge desalination plants and on recycling.

Government subsidies to farmers are also extensive. Specialized development funds that provide soft loans to Saudis, mainly farmers, were allocated 4.6 billion Saudi riyals (\$1.2 billion) in the 1992 budget, according to the Ministry of Finance and National Economy.

While the government regards such spending as an investment in national security, as well as in national development, it is also taking pride in the fact that the progress made during the past decade has been so great that the cost of growing wheat in the kingdom has fallen from about \$1 per kilogram 12 years ago to only about \$0.40 today.

P.A.S.

## FROM ENERGY TO SOCIAL SERVICES

Continued from page 14

generous financial and other incentives to set up new industrial ventures throughout the kingdom. The priority sectors include downstream petrochemicals, plastics and metals; food and agro-industries; machinery and capital goods; medical and pharmaceutical products; mineral processing and mineral products; advanced technology; import substitution; and export-oriented products.

A network of industrial development groups, formed by the private sector (some with government interests), has the specific purpose of arranging international joint ventures, says Mr. Zamil. These include the

National Industrialization Co., Saudi Advanced Industries Co., Saudi Industrial Development Co., Arabian Industrial Development Co. and Saudi Venture Capital Group.

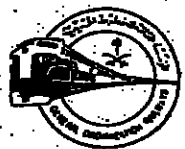
The three offset programs of the United States, Britain and France have spurred some new developments, including the Boeing Industrial Technology Group's four ventures and British Aerospace's dozen projects, which include Glaxo and Savola in two major joint ventures. There are snags in Saudi Arabia as in any other country when a multimillion dollar project is under way. The one surprise this year was the last-minute cancellation of a 50-50 joint venture between Mobil Petrochemicals Saudi

Arabia and Arabian America Chemical Co. to build a 850,000 ton-a-year methyl-tertiary-butyl (MTB) plant. The Saudi Press Agency reported that the deal did not go through because of an investment-policy review.

Nevertheless, the opportunities for lesser-sized projects are there. "We have the natural resources for energy, and we are well placed to provide export markets not only in the region, but also in Africa, the Mediterranean countries and even farther afield to Europe and the Americas," says an official at the Royal Commission for Jubail and Yanbu; the commission is now charged with encouraging inward investment.

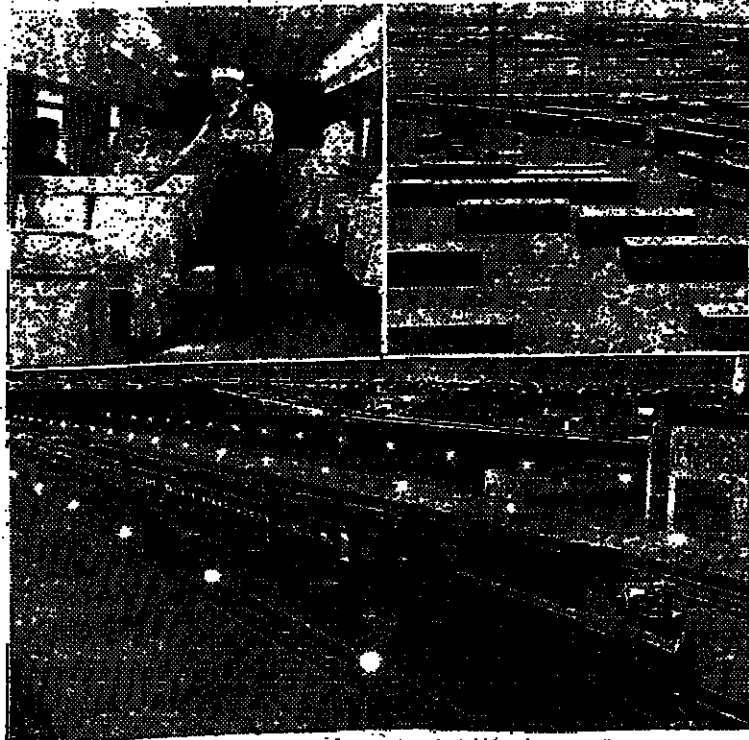
L.V.

### SAUDI ARABIA WITHIN YOUR HANDS

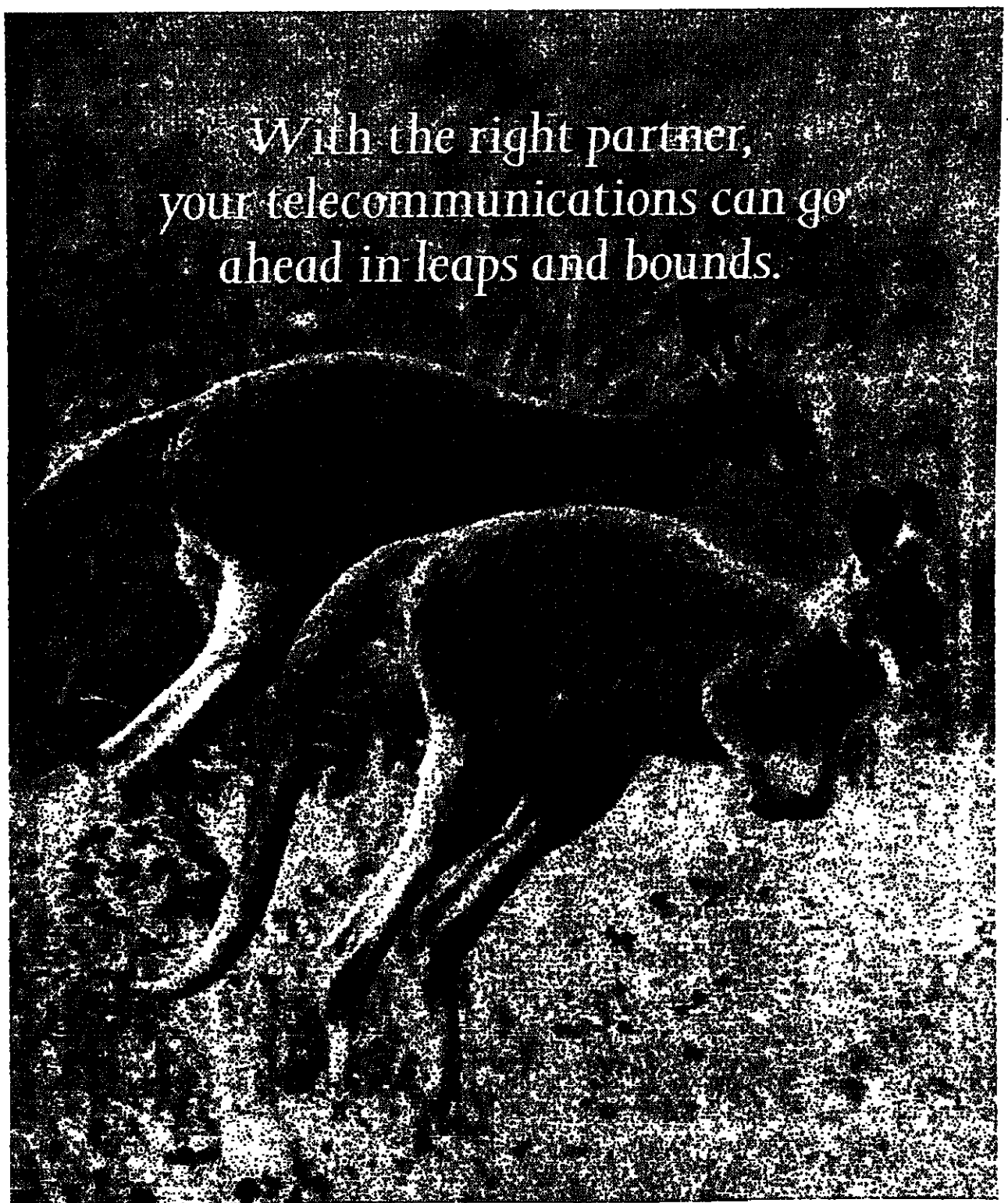


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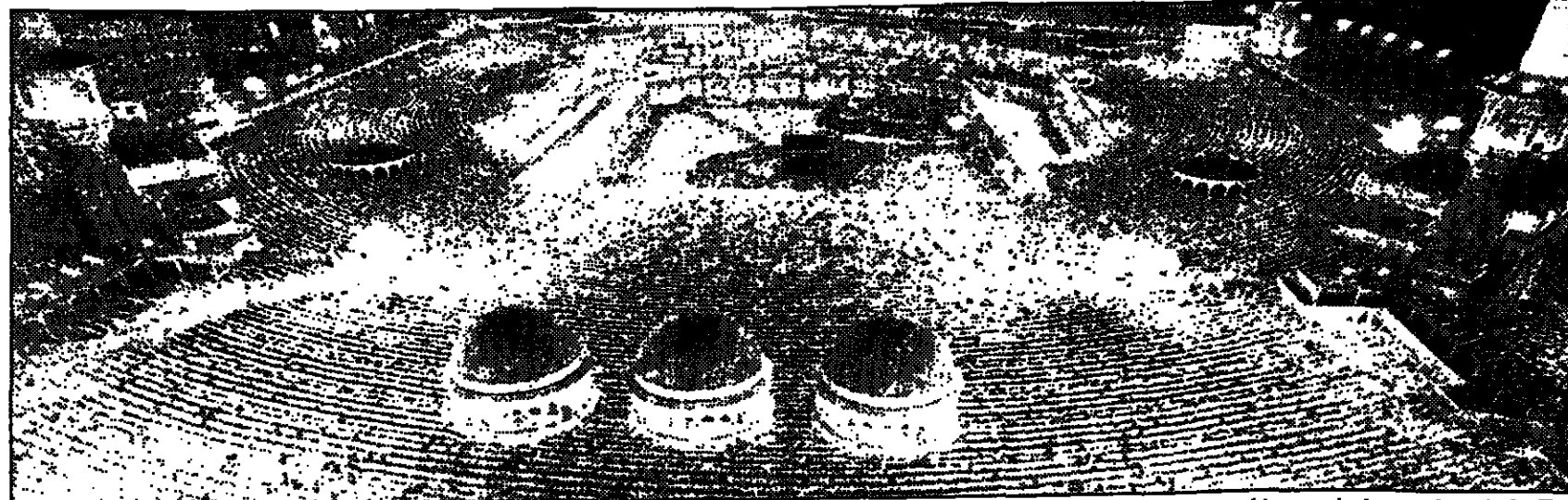
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### CONSTRUCTION SECTOR: A GIANT BY ANY MEASURE

While the next few years are expected to see a consolidation of the sector, the amount of spending on construction in Saudi Arabia is still huge by regional standards. The government has allocated about \$7.5 billion for public-sector projects in its current budget, and other state companies and agencies, together with the private sector, are expected to spend another \$5 billion.

One study published in London in November estimates that the total value of engineering, construction and procurement contracts in Saudi Ara-

bia could reach at least \$70 billion by the end of the decade. A report by the London-based business weekly MEED estimates that defense, power and municipal development contracts could be worth \$10 billion each. Expenditure on oil and gas projects could reach \$7 billion, with another \$5 billion each for water, heavy industries, secondary industries, health-care facilities and transport. An additional \$3 billion may be spent on building universities and institutes of higher education.

About \$3 billion was spent last year by national oil company Saudi Aram-

co alone. In the past, many multinational companies - such as ABB Lummus Crest, Fluor Daniel, Bechtel, Brown and Root, Stone and Webster Engineering, KHD Humboldt Wedag and Dumez - have played a key role in developing major infrastructural and industrial projects in the kingdom.

Today, however, the growing trend is toward joint ventures involving a local company. One of the most senior players, MEED reports, is the Binladen Group, which has been responsible for large state projects such as the expansion of the Great Mosque

of Makkah and the Prophet's Mosque in Medina.

Saudi Oger, owned by Lebanese President Rafiq Hariri, is working on the Al Kharj air base and other defense facilities as well as expanding its operations and maintenance work in the country. Two smaller companies, Almadani General Contractors and the El-Seif Engineering Contracting Establishment, have also teamed up with foreign contractors to bid for important projects such as the expansion of King Saud University and the Saudi National Guard's Al-Hasa military city.

### TELECOM GIANTS BID FOR \$1.9 BILLION CONTRACT

Twenty-three years ago, there were less than a dozen international telephone lines connecting Saudi Arabia with the outside world, and there were precious few within the kingdom that could be relied upon to work. Today, the kingdom has 1.6 million lines, and successful bids are about to be announced for a \$1.9 billion contract to install 500,000 new lines over the next five years, with an option for a further 500,000.

In addition to growth in the fixed network, rapid expansion is about to

and a subscriber radio system for rural areas.

Five local commercial banks and the Gulf Investment Bank in Bahrain are offering to finance the successful bid for the fixed-network contract; most of the bidders, however, are reported to have provided their own financing arrangements.

According to reports in the London-based MEED, the Middle East business magazine, this innovative offer by the banks to the Saudi PTT may lead other state and parastatal entities to consider this kind of financing option for major contracts.

Ericsson and NEC are making a joint offer of \$2.7 billion; Northern Telecom, \$1.8 billion; Alcatel, \$2.2 billion; AT&T, \$2.4 billion; and Siemens with GPT, \$2.768 billion.

Telecom Australia (Saudi) has had an advisory team working with Saudi telecom managers to support the nationwide operation of the kingdom's telecommunications system. Telecom Australia (Saudi) is a joint venture between the Saudi-based company NATEL (part of the NESMA group) and Telstra, Australia's leading telecommunications company, which has had a three-year contract with the PTT.

Telstra, which established Australia's Group Special Mobile network earlier this year, is currently bidding for Saudi Arabia's GSM network.

#### Rapid expansion slated in mobile communications

take place on the mobile-communications front using Group Special Mobile technology, which is likely to enable mobile roaming throughout the countries of the Gulf Cooperation Council in the near future. At present, there are 20,000 mobile lines, and the number is likely to be expanded to at least 45,000.

Competition for the fixed network has been intense as this is one of the largest telecommunications contracts in the world.

Alcatel, AT&T, Ericsson, GPT (Britain), NEC, Northern Telecom and Siemens are among the main bidders for the \$1.9 billion contract. It includes fiber-optic multimedia and satellite systems, microwave links

P.A.S.

L.V.

### A MAJOR PLAYER IN SHIPPING

The National Shipping Company of Saudi Arabia is set to become a world leader in marine transportation, particularly in the field of crude oil and other oil- and gas-related products.

NSCSA and Vela International, Saudi Aramco's shipping subsidiary, are investing more than \$3 billion in new orders for tankers and special-product carriers, which will make Saudi Arabia a new force among merchant-shipping owners.

NSCSA now has a joint-venture company, National Chemical Carriers (NCC), with Saudi Basic Industries Corporation (Sabic), which currently owns 11 special-product carriers and has at least two more on order. NSCSA also

has a 50-percent interest in Arabian Chemical Carriers and a 16-percent interest in Saudi Livestock Carriers.

The company has eight custom-built Ro-ro carriers, with a maximum container capacity of 15,250 tons and a total deadweight tonnage of 297,000 tons. It operates regular liner services to North America and Asia. In addition to the specialized vessels, it has 13 chemical tankers of its own with a total deadweight of 363,973 tons. NSCSA Chief Executive Mohammad S. Al-Jarbou hopes this will be increased to 437,973 deadweight tons by 1995, after the purchase of three more vessels; this will make NSCSA the fifth-largest chemical tanker owner in the world.

L.V.

### 'THE WELL TO THE WHEEL'

Continued from page 14

sources. This analysis is reaffirmed by expected policy changes on the massive oil-industry capital-expansion program (\$37 billion) following the takeover of Samarec, the petroleum marketing agency and refinery operator, by Saudi Aramco, the crude-oil producer.

One surprising fact to emerge this year is the size of the kingdom's population, as revealed by the latest national census. The population, according to preliminary figures, is just over 16 million, far higher than expected by most observers. If this is to be taken at face value, it is likely to mean increased expenditure on welfare and education as the kingdom seeks to improve its skill base and continue its "Saudiization" program, which involves increased use of local labor. This is likely to increase the

budget deficit rather than reduce it. The emphasis today, however, is on continued integration of the oil industry on a global scale (the "from-the-well-to-the-wheel" philosophy). The emphasis is also on increasing the added value of oil-related feedstock in the petrochemical industry. Analysts say that this should help boost export earnings and improve the overall balance-of-payments position as the economy gears up to face the next millennium.

There has been some encouragement from the latest International Financial Statistics published by the IMF. The figures show a 20-percent drop in the 1992 current-account deficit, which totaled \$20 billion, compared with a revised figure of \$27 billion for 1991. The IFS also showed that foreign reserves, excluding gold, rose 11 percent from June to July, to \$7.6 billion.

L.V.

### \$9 BILLION INVESTED IN LEARNING

Education has long been a top priority in the kingdom. In the past few years, the vast sums invested by the Saudi authorities in education during the oil-boom years of the 1970s and early 1980s have begun to prove their worth.

Although nationwide figures are not available, studies conducted in Riyadh, the capital, show the impact of the kingdom's extensive investment on overall attainment levels. The number of people with university degrees doubled between 1986 and 1991. The number completing secondary education almost doubled, and there was a doubling in the number of persons completing their intermediate education between the primary and secondary levels.

At the same time, illiteracy is being steadily eliminated. As recently as 1986, 20 percent of the population of Riyadh was recorded as being illiterate. Five years later, however, the proportion was down to 16 percent. The trend is clear: In practical terms, illiteracy will be a thing of the past by the end of the century.

Even at a time of financial stringency, the government is continuing to invest heavily in education. In 1993, it has devoted \$4.1 billion Saudi riyals (\$9.1 billion), or 17.3 percent of its 196.9-billion-Saudi-riyal budget, to education, with specific allocations for the construction of up to 800 new schools and the expansion of existing educational facilities.

J.R.

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## FROM FRENCH PASTRIES TO FIRE PREVENTION

One of the kingdom's top 50 companies and a provider of "life-support" services is Saudi Catering and Contracting. Employing more than 7,000 multinational staff, SCC provides everything from the latest French pastries to laundry and fire-prevention services.

SCC began as a small business in 1986. It now has offices in every major city and town in the kingdom. At first, SCC concentrated mainly on catering, which led to more diversified activities, including food processing. SCC's activities now include housekeeping, laundry, providing recreational facilities, security, maintenance and fire prevention.

Other fields developed by SCC involve the management and operation of hospitals, general trading, wholesaling and retailing. As a major

procurer of a wide range of commodities, SCC extended its operations to include more retail networks and supermarkets. With the development of major industrial complexes in the kingdom, SCC took advantage of new business potential and economies of scale to provide regular and quality supplies of foodstuffs.

SCC has its own fleet of cars, buses and trucks to service its operations. These transport personnel and goods to support SCC's work sites and to supply local markets through Saudi International Transport, an affiliated operation. SIT transports all kinds of goods and materials throughout the kingdom. KIMMA Construction, a sister company of SCC, provides construction management and general contracting services. Another associated company, the National Furniture



SCC's camp kitchens provide "life-support" services to construction workers.

Co., provides furniture and fittings on a turnkey basis for many companies. A recent SCC enterprise has been the opening of new retail outlets for the

House of Lenôtre. This franchise operation sells French pastries, confectionery and chocolate.

L.V.

## PRIVATE SECTOR FUELS INDUSTRIAL GROWTH

The Saudi private sector is seen as a major motor for overall economic growth in Saudi Arabia in the years ahead. In 1992, when the overall economic growth rate was 5 percent, private-sector output expanded by 6 percent. The trend may well be even more marked in 1993.

At the start of this year, King Fahd signaled the need to expand private-sector investment when he called on

**Private sector produces 50% of industrial activity**

citizens "to invest in the field of productive projects" and to do so "within the framework of support being provided by the state."

The private sector, however, has for some years been held back as a result of limited access to commercial bank funding.

There are signs that this is beginning to change. Loans to industry in 1992 totaled 7.294 billion Saudi riyals (\$1.95 billion), although this only accounted for 6.7 percent of total commercial bank lending of 107,942 billion Saudi riyals. According to one recent survey, only 5 percent of small companies have actually managed to secure finance from a combination of government and commercial bank sources.

This has prompted a recent suggestion by a prominent Jeddah economist, in line with King Fahd's own thinking, that the government should expand the role of the Saudi Credit Bank to enable it not only to lend more money than at present, but also to provide loan guarantees for small businesses; this would then enable these companies to raise funds more

easily from the commercial banks. At present, only 23 percent of all applications from small industrialists for commercial bank loans have received positive responses.

A 1990 Survey by the Saudi Consulting House found that the private sector was responsible for half the kingdom's industrial activity. A total of 1,569 private-sector industrial companies produced a total output of 32,836 billion Saudi riyals. By comparison, the equivalent output of the 24 state or parastatal industrial enterprises run by SABIC and Petromin was 32,878 billion Saudi riyals. The private sector companies, however, were responsible for employing no less than 87.7 percent of all industrial workers.

In contrast to the giant state concerns, the private enterprises are still characterized by their extensive use of foreign labor.

The private sector is also increasingly involved in some major industrial projects.

One of the biggest of these is the Al-Saifein Tyre Company, a joint venture between the local Azmi Group and the U.S. Avon Tyre Company. The project, which will produce car and truck tires for both the local and Gulf markets, is currently priced at around \$170 million, and the intention is to open the new factory in 1995.

At the same time, a new \$200 million sugar-refinery project being undertaken by the Savola Group and Britain's Booker Tate is aimed not only at supplying the Saudi market with around 400,000 tons per year but also at exporting a further 100,000 tons per year to other Gulf countries.

J.R.

## A NEW BATTLEGROUND FOR AIRCRAFT SALES

Saudia, the Saudi flag carrier, is now the focus of one of the most intense battles for new aircraft sales that has ever been seen. It is also an enterprise that could prove a testing ground for privatization.

Fleet replacement, postponed during the lean years of the late 1980s and the Gulf War, is now firmly back on the agenda. Saudi Arabia has become a battleground for Boeing, the European Airbus Industrie and McDonnell Douglas. Estimates of the value of contracts available range as high as \$8 billion as the rival aircraft makers chase what is generally considered to be the biggest civilian order in the world.

Although no decision is expected

until the spring of 1994, speculation was heightened in July when French Foreign Affairs Minister Alain Juppé was said by French officials to have secured a Saudi order for 44 Airbus Industrie aircraft. Since then, U.S. President Clinton has spoken to King Fahd to urge the purchase of U.S. planes. The two U.S. aircraft makers have both secured preliminary commitments for massive export credits from the U.S. Export-Import Bank; Boeing, for up to \$6.5 billion; and McDonnell Douglas, for up to \$4.8 billion.

About half of the working fleet of 70 aircraft used for commercial purposes (there are 30 others used for training) will be progressively replaced over the next four or five

years. Saudia is seeking replacements for the 20 Boeing 737s and the 18 Lockheed Tristars used on domestic and regional flights. The airline also owns and operates 22 Boeing 747s (one of which is just for cargo) and 11 European Airbus-300 aircraft. Some of the shorter-haul Boeings will likely be replaced in the next few years by new long-haul Boeing 747-400s.

The sheer size of Saudi Arabia means that Saudia runs two very different operations: a competitive international route system, and an extensive and low-priced internal network. The airline has fully recovered from the problems caused by the Gulf War, when it incurred considerable losses as a result of high insurance costs

imposed on international traffic between the kingdom and foreign destinations. Long-haul traffic has grown steadily; last year, the airline carried more than 3.6 million people on its international routes. Since 1992, Saudia has been upgrading the quality of its international flights through the provision of satellite telephones.

On its domestic network, the airline operates around 400 flights a week between the major cities of Riyadh, Jeddah and Dhahran; the latter is the site of the new King Fahd International Airport, which is expected to open in early 1994. In 1992, Saudia carried around 8 million people on its domestic services.

J.R.

## BUSINESS BRIEFS: MILKING COWS, SCRAP METAL, LUXURY HOTELS, MEDICAL SUPPLIES AND COSMETIC AIDS

• One of the most recent additions to the hotel scene in Jeddah has been the opening of the Inter-Continental. This has set a new standard of elegance and service for business visitors. The hotel has a special executive floor with separate check-in and other facilities, including a special lounge for breakfast and refreshments.

• One of the oldest medical companies in the kingdom is Tamer, which opened the first pharmacy in 1922. Today, it is among the 100 biggest companies in the kingdom and a nationwide distributor of pharmaceutical products. Still a family enterprise, it has more than 500 staff working in its three main divisions. The Pharmaceutical Division is the

major importer and distributor of products in Saudi Arabia. The company has 250 pharmacists who visit every doctor, pharmacy, hospital and clinic in the kingdom to promote Tamer's exclusive products. The Medical Division imports and markets the latest medical technology and equipment. The third division imports and markets toiletries, beauty-care products, stationery and food.

• Helping to bridge the technological gap has been one of the main objectives of the Mohammed Assad Aldrees & Sons Co., which began as mobile village traders in 1938. Today, it is a major diversified company whose activities include glass-making; providing scrap metal for Hadeed, Saudi

Arabia's iron and steel smelter; supplying building materials; and distributing motor vehicles for Ford, Mazda, KIA and M.A.N. It also has one of the largest transport fleets in the kingdom, with 450 Volvo and Mercedes tractor vehicles. This fleet operates within the kingdom and in neighboring countries. The company also has an active irrigation and agricultural division, which manages farms, sells and leases equipment, and provides and inspects seeds and fertilizers.

• Alshifa is one of a growing number of specialized importers and manufacturers at the leading edge of medical-equipment technology. With 65 employees, it supplies millions of syringes throughout the kingdom. In

addition to its existing plants, it is considering setting up a joint venture with a British company to make syringes. According to its president, Salim M. Abuljawad, it hopes to export products to Yemen, Morocco, Mauritania and Kenya. "We use German technology, and I think that we can guarantee having some of the best-quality products to be found anywhere," says Mr. Abuljawad. "No one can match us for quality." He also has a specialized company manufacturing lifting gear, Slemco. "We used to have joint ventures with two British companies, but we have bought them out," he says. "We learn the know-how from them, but joint-venture management costs are too high."

• Electronics, petrochemicals and dairy farming are some of the diversified interests carried out by the Jeddah-based Al Faisalia Group, its subsidiary, Modern Electronics, is the sole distributor of Sony products in the kingdom; it had five employees and a turnover of \$300,000 when it opened for business in 1970. Today, the company has 400 employees and sales of \$250 million. Its petrochemicals and dairy-farming divisions have been equally successful. Al Safi is one of the world's largest integrated dairy companies, with a herd of 20,000 animals; this includes 11,000 milking cows, which produce 75 million liters of milk annually.

L.V.

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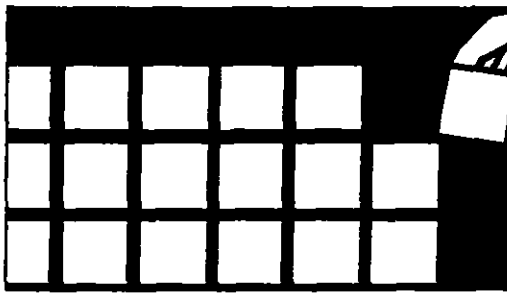




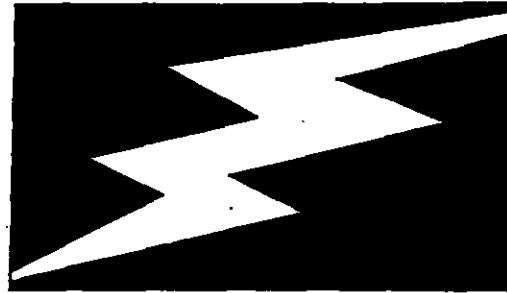
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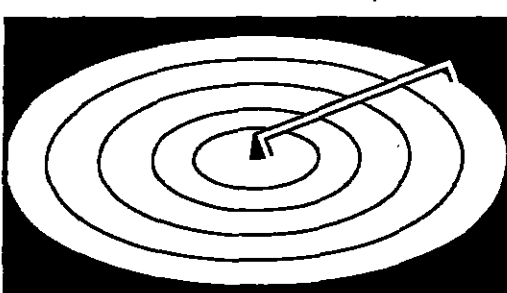
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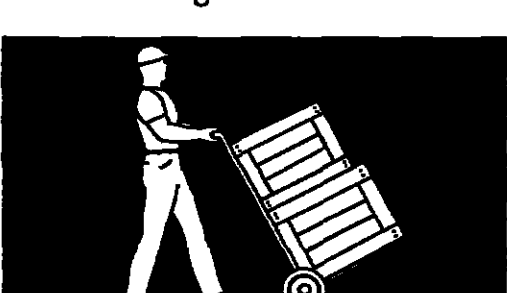
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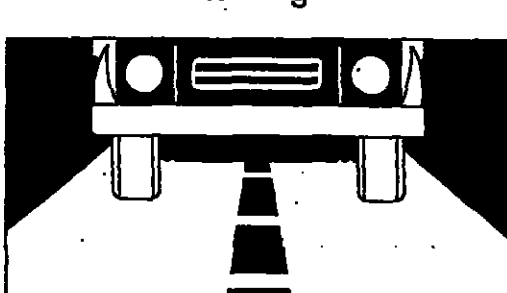
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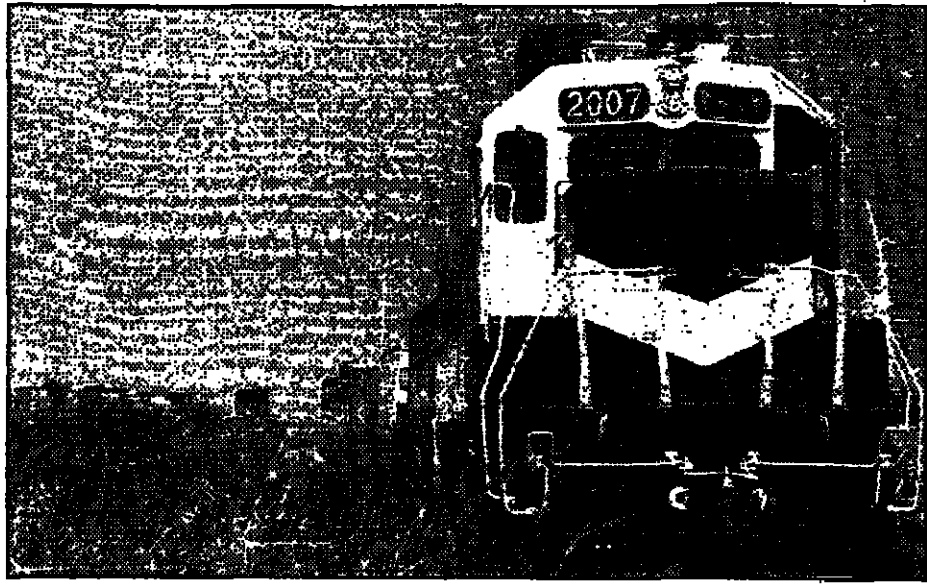
## TRAVELING BY RAIL EASIER THAN EVER

Many visitors are surprised to discover that Saudi Arabia has a flourishing railway system, which is being upgraded and extended. This year marks the 40th anniversary of the opening of the rail link between the capital and the Eastern Province. Previously, there had been a short railway connecting Dammam Port with Dhahran; the link was built and run by Arabian Oil Co. (Aramco) to serve the growing needs of the expanding oil industry.

Four trains a day now make the 280-mile (450-kilometer) journey between Riyadh and Dammam in four hours; the trains carry an average total passenger load of more than 1,500 persons. The air-conditioned cars offer radio, television and video services and have a special prayer area for travelers.

The trains are run by the Saudi Railways Organization, which was established in 1958. SRO has introduced new locomotives and cars as well as a new line with double tracks, enabling the journey between the two cities to be cut from seven hours to four. New stations have also been built in Riyadh, Dammam and Hofuf.

Faysal M. Al-Shehail, president of SRO, is an enthusiastic railway buff who has been with SRO for 17 years. He does not believe the present service can compete with air and road transportation. "Each has its own advantage," he says. Taking into account the time needed to arrive, check in and check out of the airports, however, the difference between air and rail in terms of overall traveling time is slight, as both Dammam and Riyadh stations are in the city centers.



Saudi Railways' freight trains played a vital role during the Gulf crisis.

Transporting freight is an essential part of the operation, and SRO is proud of its two "dry" ports for container traffic at Riyadh and Dammam; the latter port is operated by Dammam Ports Authority.

Up to eight freight trains run daily; they played a key role during the Gulf crisis, conveying vital equipment

and spare parts to the capital.

Mr. Al-Shehail plans to purchase two new train sets to upgrade passenger services. New cars are being provided by Germany and France, and the locomotives are supplied by General Motors. Expansion plans include a 78-mile north extension from Dammam

## MEDICAL CARE AND FACILITIES: INVESTING IN HEALTHY LIVING

Saudi Arabia's health care and medical facilities now rank among the most developed in the world, thanks to the huge investments made in this field by the government during the past decade. Smaller clinics and mobile units also serve the more remote areas and have played a key role in providing Saudis with a longer and healthier life span.

By the end of 1991, the Ministry of Health had established more than 166 hospitals with a capacity of 26,866 beds. The number of primary health-care cen-

ters reached just under 1,700. Staffing has also been greatly improved, with many Saudis now benefiting from both local training and medical education, as well as government grants to study more advanced specialties abroad. By the end of 1991, the number of staff in government hospitals reached 62,264, up 8.5 percent from 1990.

Private care has also been expanding rapidly. By the end of 1991, there were 66 private hospitals in the country, with a total of just under 6,700 beds. Another 410 private dispensaries operate in the kingdom.

The King Fahd Medical City in Riyadh is a particular source of pride. Nearing completion, it includes five hospitals of various specializations with a capacity of almost 1,500 beds, as well as outpatient clinics, making it the largest complex of its kind in the region. Pediatric and psychiatric services, as well as general medicine, are being emphasized, and the complex also includes housing for some 3,000 employees. It will supplement the services already provided by another advanced facility in the capital, the King Faisal Specialist Hospital.

In Yanbu, the King Fahd Major Medical Center has been set up by the Royal Commission for Jubail and Yanbu to cater to the needs of this rapidly growing industrial city. Operated by the Zamil al-Mana Consortium, it includes 342 beds and specialized services in obstetrics and gynecology, dermatology, urology, pediatrics, internal medicine, orthopedics, ophthalmology, cardiology and dentistry as well as surgery. The complex includes a mosque, cafeteria, administration buildings, central services building and an occupational health clinic. In the Eastern Province, the Al Mana Hospital has branches in Dammam and Al-Khobar. Several private hospitals with 250 beds or more also operate in the area, including Al Mowasat Hospital in Dammam, Al Salama Hospital in Al-Khobar and the Mohammed Dossary Hospital in Dhahran. Some cater especially to expatriate executives and their families, with staff trained in the United States and Britain. Together with the government's commitment to providing Saudis with the most up-to-date medical services available, these private facilities are helping to extend health care to all those working in the kingdom as well. P.A.S.

King Fahd Medical City is the region's largest

ters reached just under 1,700. Staffing has also been greatly improved, with many Saudis now benefiting from both local training and medical education, as well as government grants to study more advanced specialties abroad. By the end of 1991, the number of staff in government hospitals reached 62,264, up 8.5 percent from 1990.

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Hyatt, whose Jeddah hotel has just won an award as the capital's best hotel, says that it, too, is always looking for projects. Despite its interest in the Makkah scheme, however, Hyatt says there are no immediate new contracts on the horizon. J.R.

## LEISURE: FAST FOOD, MALLS AND RED SEA RESORTS

Change is coming to Saudi Arabia as the government turns its eye to the development of internal tourism, and the private sector shifts its attention to the growing market for leisure services. Pizza Hut is coming to the industrial city of Yanbu, for example, and three major Western hotel chains are competing to run a prestige hotel in the heart of the holy city of Makkah (Mecca).

The market for leisure services is considerable.

Government is keen to develop tourism

Various recent estimates put the value of the local fast-food market, for example, at 2 billion Saudi riyals (\$540 million) and the value of the market for car leasing, rentals and limousines at more than 450 million Saudi riyals a year.

According to the local Samara Travel and Services Company, the Saudi travel market is worth around 6 billion to 7 billion Saudi riyals a year.

These markets all look set to grow significantly. A lack of fast-food emporia in Yanbu should be rectified in late 1994 or early 1995 as new franchises for Wendy's, Popeye's and Pizza Hut open. The Alireza Group already operates a number of McDonald's restaurants in the area and on the Gulf coast.

The Saudi authorities are keen to develop domestic tourism. Deputy Commerce Minister Abdul Rahman al-Zamil believes the Highlands of the Asir are particularly suitable for this, and he wants the country's airline, Saudia, to increase direct flights to the Asir from outlying regions of the kingdom and from neighboring countries such

as Kuwait and the United Arab Emirates. Some 600,000 Saudis are expected to visit the Asir annually by 1995.

The Royal Commission for Jubail and Yanbu wants to see Yanbu develop as a weekend holiday resort. Farther south along the Red Sea coast, the Saudi Hotels and Resort Areas Company (Sharco) is developing land for a new resort village near Jeddah. Also in Jeddah, the Al-Bilad Movenpick recently opened a new beach club.

On the country's Gulf Coast, at Al Khobar, the Saudi Amusement Centers Company is building 94 holiday chalets at Half Moon Bay, the Eastern Province's most popular resort. The complex, which will include swimming pools and a gymnasium, is due to open next year. The same company is planning indoor amusement complexes in Dammam, al

Khobar and Hatif. South of al Khobar, the Saad Trading and Contracting Company is planning a housing and marina complex with a private beach, restaurants and shops in a single development.

Within the cities, shopping malls are proliferating. The Saudi Real Estate Company is currently building a new mall in Olaya to house 135 shops.

In the hotel sector, the new 175-room Khamis Mishait International opened on Jan. 1, complete with a 1,500-seat conference hall. On the west coast, the Jeddah Marriott is considering plans for a major expansion that would increase its rooms from 210 to between 360 and 380.

The biggest of the new hotel projects is to be found in Makkah, where a new 650-room luxury hotel is planned for a site close to the Holy Haram, the sacred ground at the heart of the

city. The hotel itself is being developed by the local Makkah Company for Reconstruction and Development, but at least three major international chains—Hilton International, Four Seasons and Hyatt Regency—are contending for the management contract.

Several major hotel chains say that because Saudi Arabia is a leading market for upscale business visitors, they are naturally looking for opportunities to expand. Meridien, whose Al-Khobar Meridien has often been voted the best hotel in the Eastern Province, is rumored to have one specific project in mind—but all that it would say officially is that "if we have, it is not signed and confirmed."

Hyatt, whose Jeddah hotel has just won an award as the capital's best hotel, says that it, too, is always looking for projects. Despite its interest in the Makkah scheme, however, Hyatt says there are no immediate new contracts on the horizon. J.R.

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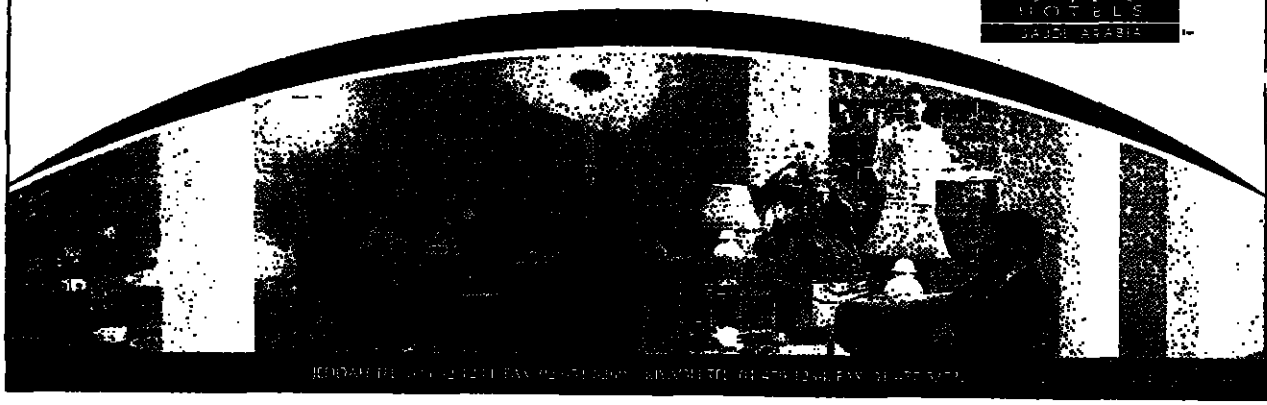
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NYSE

Monday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

Table of NYSE stock market data including various stock symbols, prices, and market indicators.

INTERNATIONAL FUNDS

Dec. 6, 1993

Questions supplied by funds listed. Not most value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices. The circled symbols indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (M) - monthly; (Q) - quarterly; (S) - semi-annually; (Y) - yearly.

Main table of International Funds listing fund names, asset classes, and performance metrics.

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Vertical text on the left margin including 'Utilities Living' and 'Company Market'.

Vertical text on the right margin including 'to to ind' and 'in-ur-ism-S.'.



# SPORTS

## For the Games, A Fast Track

Compiled by Our Staff From Dispatches

**HAMAR, Norway** — Gunda Niemann of Germany broke the world record for the women's 5,000-meter speedskating event Monday when she was clocked in a time of 7 minutes, 13.29 seconds.

It was the third world record set in three days of skating during the World Cup meet at the Viking Ship Hall, built in this southern Norwegian town for the 1994 Winter Olympics.

Niemann, a double Olympic champion in the 1992 Games at Albertville, France, swept all three women's races during the meet here. She also won the 1,500 Saturday and the 3,000 Sunday.

The old 5,000-meter record of 7:14.13 had been set by Yvonne van Gennip of the Netherlands during the 1988 Winter Olympics in Calgary.

Dan Jansen of the United States, who set a world record in the men's 500 in 35.92 on Saturday and again broke the 36-second barrier the following day, won Monday's men's 1,000 in 1:13.01.

Johann Olav Koss of Norway set the second men's world record during the meet by finishing the 5,000 Saturday in 6:35.53, to break his old mark of 6:36.57.

Two South Korean women broke short track speed skating world records Monday on the final day of the Asia Cup competition in Asahikawa in northern Japan. Chun Lee Kyung clocked 1 minute, 35.83 seconds in the 1,000-

meter final, eclipsing the mark of 1:37.19 she set in Beijing in March.

About an hour later, Won Hye Kyung clocked 5:17.59 in a 3,000-meter heat, shattering the world record of 5:18.33 set by Maria Rosa Candido of Italy in Budapest in January 1988. Won, however, was only seventh in the final.

(AP, Reuters)

### Drug Accords Still Hurdles

A top Olympic official said Monday that soccer, tennis and cycling remain the major sports that have yet to comply with the terms of an international anti-doping accord. The Associated Press reported from Lausanne, Switzerland.

Prince Alexandre de Merode, chairman of the International Olympic Committee medical commission, said "small differences" continue to hold up final ratification of an agreement to unify doping rules, procedures and sanctions.

The accord, reached in June by the IOC and the Association of Summer Olympic International Federations, calls on all sports to harmonize their anti-doping regulations and apply a minimum two-year suspension for drug use.

De Merode, who briefed the IOC executive board Monday, said a special meeting has been set for Jan. 13 in Lausanne for federations to sign the agreement. The meeting has been postponed several times.

De Merode mentioned the world soccer, tennis and cycling federations as those still falling short of



Chun Lee Kyung of South Korea sped to a world record in the 1,000-meter final of the Asia Cup competition in Asahikawa, Japan.

compliance. Tennis and soccer don't have out-of-competition testing, while cycling agreed only last week to toughen its doping rules. The federations also differ on the length of drug suspensions.

De Merode said the cycling federation was in agreement "on 7.5 of the 8 points of the accord," while there have been no discussions yet with the International Tennis Federation. He said the IOC was willing to study the system used by FIFA to

differentiate between international and national suspensions. Under FIFA's rules, an athlete can be banned from international competition for two years but still be allowed to compete and train on a national level.

"This is a very interesting approach and has to be discussed," de Merode said. "It will decrease the amount of money the athletes can earn, but it will let them continue to practice their profession and to possibly come back."

## Rockets Catch Cavs In Closing Seconds

The Associated Press

Maybe this is why the Houston Rockets opened the season by winning 15 straight.

Playing the Cleveland Cavaliers on the road, the Rockets were beaten on the boards and were behind practically the whole way Sunday night. Their center, Hakeem Olajuwon, couldn't move without a swarm of players around him.

But not only did the Rockets win, 99-98, they expected to. Good teams are like that.

"We raised the intensity toward the end," said Olajuwon, who had 9 of his 22 points in the last 2 minutes, 33 seconds. "I knew we'd have to make a run. I was still confident, with little doubt."

The Rockets are now 16-1, their opening run having ended with a 133-111 loss Friday in Atlanta.

Houston didn't take its first lead until Olajuwon passed the ball out and Vernon Maxwell hit a 3-point shot with 31.9 seconds left. Olajuwon and Otis Thorpe each added a free throw before Gerald Wilkins of Cleveland struck a short jumper. Olajuwon's slam with 4.7 seconds left sealed it.

"They were doing a fantastic job of triple-teaming," Olajuwon said. "What I was doing was getting the ball to the open man, but toward the end I still had to find one way or another to get my shot off."

Kenny Smith added 19 points for the Rockets. Maxwell's shooting was way off; he got nine points and was 1-for-5 on 3-pointers.

"But he hung in there, and Hakeem did the unselfish thing and got the ball out, and that was just gigantic," Rockets coach Rudy Tomjanovich said.

The Cavaliers lost for the third straight time after blowing a lead. Mark Price scored 23 points. Gerald Wilkins had 16 and Tyrone Hill

### NBA HIGHLIGHTS

grabbed 14 rebounds. Brad Daugherty, concentrating on Olajuwon, had just 12 points.

Sans 117, Bucks 98: At Milwaukee, Charles Barkley scored 23 points and Kevin Johnson had 21 points and 10 assists to carry Phoenix to its eighth victory in nine games. The Suns were also paced by Dan Majerle with 20 points and A.C. Green with 19. Ken Norman led Milwaukee with 25 points.

"We just wore them down," Suns coach Paul Westphal said. "I wouldn't trade our team for any team in the league."

Nuggets 115, Mavericks 110: Dikembe Mutombo had 23 rebounds and nine blocks as Denver, playing at home, handed Dallas its 12th straight loss. The Nuggets got strong play from Mahmoud Abdul-Rauf (22 points) Reggie Williams (20) and Tom Hammond (17). Jamal Mashburn scored 28 points and Jim Jackson had 24 for the Mavericks. The Nuggets were just 25-for-40 from the line and turned the ball over 21 times.

## SCOREBOARD

### FOOTBALL

#### NFL Standings

AMERICAN CONFERENCE		Best		Pts		PF		PA	
Buffalo	9	3	0	230	248	205			
Minnesota	8	4	0	247	226	177			
Pittsburgh	7	5	0	233	248	179			
Indianapolis	4	8	0	203	183	223			
New England	1	11	0	183	148	240			

NATIONAL CONFERENCE		Best		Pts		PF		PA	
Houston	8	4	0	247	209	197			
Cleveland	7	5	0	252	219	225			
Cincinnati	1	11	0	183	136	272			

NATIONAL CONFERENCE		Best		Pts		PF		PA	
Kansas City	9	3	0	230	235	184			
Denver	7	5	0	243	219	225			
LA Raiders	7	5	0	230	238	205			
Son Diego	6	6	0	200	208	205			
Seattle	5	7	0	177	170	217			

NATIONAL CONFERENCE		Best		Pts		PF		PA	
N.Y. Giants	9	3	0	258	225	132			
Dallas	9	3	0	254	224	149			
Philadelphia	5	6	0	203	175	212			
Phoenix	4	8	0	233	228	205			
Washington	3	9	0	259	188	273			

NATIONAL CONFERENCE		Best		Pts		PF		PA	
San Francisco	9	3	0	230	237	245			
Atlanta	5	7	0	177	243	284			
LA Rams	3	9	0	250	141	283			

SEASONS' RESULTS		Best		Pts		PF		PA	
Houston 33	Atlanta 17	Chicago 26	Green Bay 17	Indianapolis 9	New York Jets 4	LA Raiders 25	Buffalo 34	Cleveland 17	New England 14
Philadelphia 23	Tampa Bay 17	Pittsburgh 17	New Orleans 14	Washington 23	Tampa Bay 17	Chicago 36	Los Angeles Rams 10	San Diego 12	Denver 18
New York Giants 19	Miami 14								

### THE AP TOP 25

The teams in the college football final regular season poll, with first-place votes in parentheses, received through Dec. 5 final poll; based on 25 points for a first-place vote and ranking in the previous poll.

Rank	Team	Record	1st Place
1	Florida St. (43)	11-0	1,207
2	Nebraska (13)	11-0	545
3	West Virginia (3)	11-0	1,203
4	Notre Dame (7)	10-1	1,203
5	Auburn (11)	11-0	1,203
6	Tennessee	9-1-1	1,256
7	Texas A&M	10-1-0	1,256
8	Florida	10-2-0	1,299
9	Wisconsin	9-1-1	1,652
10	Miami	9-1-1	874
11	Ohio St.	10-0-0	848
12	North Carolina	9-2-0	608
13	Penn St.	9-2-0	608
14	UCLA	9-2-0	608
15	Stanford	9-2-0	608
16	Arizona	7-3-1	508
17	Alabama	8-2-1	474
18	Oklahoma	8-2-1	428
19	Kansas St.	8-2-1	403
20	Indiana	8-2-0	324
21	Arizona State	8-2-0	324
22	Virginia Tech	8-2-0	324
23	Michigan	8-2-0	324
24	Clemson	8-2-0	324
25	Princeton	8-2-0	324
26	LSU	8-2-0	324

### HOCKEY

#### NHL Standings

EASTERN CONFERENCE		Best		Pts		GF		GA	
N.Y. Rangers	20	4	2	42	106	72			
Philadelphia	17	1	2	32	112	72			
New Jersey	15	7	4	34	91	67			
Washington	11	3	2	24	79	83			
Pittsburgh	9	3	2	21	66	77			
N.Y. Islanders	9	15	2	20	90	96			
Tampa Bay	8	17	2	16	65	68			

WESTERN CONFERENCE		Best		Pts		GF		GA	
Pittsburgh	17	7	2	33	100	16			
Boston	13	8	6	32	98	80			
Montreal	12	10	4	28	91	72			

### WESTERN CONFERENCE

W	L	T	Pts	GF	GA
Toronto	19	4	42	110	79
Dallas	13	10	4	22	108
Edmonton	4	17	3	15	64

W	L	T	Pts	GF	GA
St. Louis	13	5	27	87	85
Chicago	12	9	27	80	67
Detroit	12	12	24	115	97
Winnipeg	11	7	21	87	82

W	L	T	Pts	GF	GA
Colorado	16	7	4	36	101
Vancouver	14	12	8	84	82
San Jose	11	13	2	27	85
Los Angeles	10	14	2	22	99
Anaheim	9	17	2	20	75
Edmonton	5	20	3	13	70

W	L	T	Pts	GF	GA
Florida	11	8	1	31	31
San Jose	9	2	1	11	1
Phoenix	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

W	L	T	Pts	GF	GA
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24
San Jose	8	11	1	24	24

### SUNDAY'S RESULTS

Buffalo 12, Chicago 10, Detroit 10, Minnesota 10, Pittsburgh 10, Cleveland 10, Cincinnati 10, Houston 10, Denver 10, LA Raiders 10, San Diego 10, Seattle 10, Dallas 10



SPORTS

The Richest Is?

Jordan's Gone, But Still No. 1

NEW YORK — Basketball's Michael Jordan was the world's best paid athlete for the second straight year, earning an estimated \$36 million, Forbes magazine has reported.

Boxer Riddick Bowe, who wasn't on the 1992 list, was second at \$25 million. Grand Prix auto racer Byron Senne was third at \$18.5 million.

The Detroit Tigers' first baseman, Cecil Fielder, was the top baseball player at \$12.7 million, in eighth place, but Forbes included his entire \$10 million signing bonus.

Quarterback Joe Montana of the Kansas City Chiefs, was the top football player at \$11.5 million and 10th place.

Arnold Palmer again was the top golfer, earning \$11.1 million, good for 11th place.

Just \$4 million of Jordan's \$36 million came from the Chicago Bulls, his team until his retirement in October.

The magazine estimated Shaquille O'Neal of the Orlando Magic, who was NBA rookie of the year in 1992-93, made \$15.2 million, including \$11.9 million in outside income.

That was good for sixth place.

The world's 40 highest paid athletes, as determined by Forbes magazine (all figures in millions of dollars):

Table with 3 columns: Athlete Name, Sport, and Amount. Includes Michael Jordan (\$36M), Riddick Bowe (\$25M), Byron Senne (\$18.5M), Cecil Fielder (\$12.7M), Joe Montana (\$11.5M), Arnold Palmer (\$11.1M), Shaquille O'Neal (\$15.2M), and others.



The Patriots' Drew Bledsoe, center, fumbled and looked for help; the Steelers were looking at a victory.

Giant First in Miami: NFC Team Triumphs

The New York Giants knocked out the Miami Dolphins' quarterback just as other teams have done this season in the National Football League.

But the Giants also won in Joe Robbie Stadium, and no NFC team had ever done that before in the regular season.

The Giants, playing in Miami for the first time since the AFL-NFL merger, won the meeting of division leaders, 19-14, on Sunday.

DeBerg, the oldest player in the league at 39, needed five stitches in his chin and one in his neck after being hit by two Giants in the third quarter.

DeBerg became the third Miami quarterback to be knocked out of a game this season. The Dolphins first lost Dan Marino for the season, then Scott Mitchell for several weeks.

New York's victory was the first ever by an NFC East team in 12 games in Miami. It was the first regular-season victory by any NFC team in Miami since Joe Robbie Stadium opened six years ago.

San Francisco won its sixth straight to open a two-game lead in the NFC West over New Orleans. Cincinnati was leading, 8-7, when quarterback David Klingler

went out with a right hip injury, sustained on an 11-yard scramble that left the Bengals with a fourth-and-9 at their 45.

Joe Montana, playing for the second time since missing three games because of a pulled hamstring, completed 20 of 30 passes for 239 yards. The Chiefs are 6-1 when Montana starts.

Allen leads the AFC with 13 touchdowns. Albert Lewis intercepted a pass and recovered a fumble for Kansas City, which beat Seattle for the fifth straight time.

Chargers 13, Broncos 10: In San Diego, John Carney's 34-yard field goal with three seconds left was the difference against Denver.

San Diego won 79 yards on 12 plays, led by Stan Humphries, to the winning score. John Elway was held to 171 yards, his lowest passing total of the season, and twice could not move the Broncos in the fourth quarter.

Cardinals 38, Rams 10: In Tempe, Arizona, Ron Moore ran for four touchdowns and 126 yards. He became the first Cardinal player to rush for four scores since Wayne Morris did it for St. Louis against New Orleans on Oct. 23, 1977.

Moore scored once on a 19-yard run and three times from a yard out as Phoenix cut a 38-3 lead. Jerome Bettis gained 115 yards for the Rams.

DeBerg, the oldest player in the league at 39, needed five stitches in his chin and one in his neck after being hit by two Giants in the third quarter.

SIDELINES

Giant Slalom on Monday

OLMPHEN, Switzerland (AP) — The men's World Cup giant slalom called off Saturday because of thick fog at St. Moritz, Quebec, has been rescheduled for next Monday at Val d'Isere, France, creating a stretch of four consecutive race days for the men.

Rozsa Sours on Australia

PERTH, Australia (AP) — Former world 100-meter breaststroke champion Norbert Rozsa, who was granted Australian citizenship earlier this year, said Monday he plans to return to his native Hungary.

For the Record

Andrew Galarraga, the National League batting champion, and the Colorado Rockies agreed on a guaranteed four-year contract.

U.S. Soccer League Plan Picked

CHICAGO — The U.S. Soccer Federation's board of directors has preliminarily approved a plan for a first-division league.

No details or even a broad outline of the plan, presented to the board by the USSF's president and the World Cup USA chairman, Alan Rothberg, were released Sunday because the plan must still be submitted to FIFA for approval.

FIFA granted the 1994 World Cup to the United States on the provision it start a first-division professional league.

The APFL is currently recognized by the USSF as its second division, although no first division exists. It's chairman, William de la Pena, who owns the Los Angeles club Salsa, had said earlier this year that his fellow owners entered the APFL with the objective of becoming the first division and also said that they had the right of first refusal on any plan the federation came up with.

The announcement of acceptance of the Rothberg plan by Major League Professional Soccer, Inc. (MLPS), was not a surprise. Rothberg was elected president of the U.S. federation in August 1990 with the backing of FIFA.

Bill Sage, the former commissioner of the APFL, was hired by Rothberg to head the MLPS group.

The USSF's communications director, Tom Lange, said the USSF will present the MLPS idea to FIFA at its meetings in Las Vegas shortly before the World Cup draw on Dec. 19.

"We hope to be able to reveal some parts of the proposal at that time," Lange said. "I can't say we will be able to announce every detail at the draw."

Referees at next summer's World Cup finals may wear colored shirts instead of the traditional black, a FIFA official said Monday.

FIFA and the U.S. organizers will decide in Las Vegas next week whether to equip the referees in patterned shirts following a proposal by FIFA's referees' committee to brighten their image.

David Will, chairman of the referees' committee, said they had two or three designs, worked out with a leading sportswear company, to present to the organizers.

A spokesman at FIFA headquarters in Zurich said: "We want to cultivate things in a departure from tradition. A splash of color is always good for the eye."

The University of Virginia men's soccer team, with a 2-0 defeat of South Carolina, became the first to win the National Collegiate Athletic Association title three straight times.

(AP, Reuters, UP)

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# ART BUCHWALD A Very NAFTA Noel

WASHINGTON — The other day I took my grandchild to see Santa Claus at a local shopping mall.

I went up to the information counter and said, "Santa Claus?"

The man replied, "I'm sorry but Santa Claus isn't with us any more. He is now stationed in Mexico."

"How can you do that?" I asked.

"It's part of the NAFTA treaty. We found that a Santa Claus in Mexico will work for \$4 a day and will waive all his health benefits."

"What good will it do my grandson if your Santa Claus is in Mexico?"



"Not much in the short run, but in the long run the Mexican Santa Claus will make enough money to buy a Boeing 757, and that will produce a lot more jobs in the United States."

I was incensed and said, "How do I explain to a small child that the Santa Claus we came to see is now in Acapulco?"

"You could tell him about the pros and cons of NAFTA, and how it is essential that we enter into a trade agreement with Mexico because the country is one of our best customers. Here is a booklet from Vice President Gore explaining why we need Mexico as a hemi-

sphere partner. It's gift-wrapped."

"What happens to all the Santa Clauses in the United States who are now out of work because they have been replaced by ones in Mexico?"

"We have a retraining program for them. We're teaching them how to become sumo wrestlers."

"See here," I said, "I brought my grandson down here to meet Santa Claus. What am I supposed to do now?"

"Many of our customers are using their frequent-flyer mileage to fly to Cancun and visit with our Santa there."

"You claim that the labor drain of Santa Clauses to Mexico will produce more jobs in the U.S. How can you be sure?"

"People who work at our information counter have to be sure. We know everything. Ross Perot came in the other day and asked me where he could find Larry King's show and I sent him to the refried beans department on the fifth floor."

"My grandson was getting bored and kept tugging at my sleeve. 'Are we going to see him or not?' he pleaded."

I bent down and said, "Not exactly. The store's Santa Claus has swum the Rio Grande and may never come back."

"He waited for more of an explanation."

"It's a question of trade. We want to sell more goods to Mexico and we can't unless their workers have money. On paper it looks good for them and bad for us."

"But some day — when you grow up and have a family of your own, you'll be glad that Santa Claus became a Mexican and could afford a Chrysler station wagon."

For some reason I wasn't making a dent.

"Let's go somewhere else," he said.

"It won't do any good," I continued. "All the Santa Clauses have now gone to Mexico. The department stores had to do it to cut down on sexual harassment insurance."

My grandson stamped his feet. "Are we going to see Santa Claus or not?"

I looked into his teary eyes and said, "Si."

## Tokyo Producer Plans Film on Slain Student

**TOKYO** — A Tokyo producer is planning a movie about the life and death of a 16-year-old Japanese exchange student who was fatally shot in Louisiana last year.

Norio Osada said the film would concentrate on the impact on the parents of Yoshihiro Hattori, who was shot in Baton Rouge when he went to the wrong home looking for a Halloween party in 1992. Hattori's mother, Mieko, said she hoped many Americans would see the movie, and that it would help bring stronger gun controls in the United States.

# The Performance-Driven Steven Berkoff

By Roderick Conway Morris

LONDON — "I never wanted to be that kind of spineless, rapid, passive actor whose only justification for existence is when somebody phones them, and they think: 'Ooo! I've come to life!'" said Steven Berkoff, underlining his point with an amusingly convincing impression of some inane thespian unexpectedly finding himself in contact with an electric cow prod, and causing the salt-beef sandwich-eater at the next table at Rabbins Nosh Bar, to pause, startled, in midchomp.

Having recently completed making "Decadence," his first feature film, Berkoff was limbering up for a solo stage show "One Man" (at the Garrick Theatre until the end of December).

A tall, robust, muscular man with strong handsome features, cropped hair and penetrating blue eyes, Berkoff was born in Stepney to Russian and Romanian Jewish parents shortly before World War II. It is East End's rough-and-tumble proletarian environment a decade or two earlier, he might have become a pugilist.

After drama school and touring the country for four or five years with a traditional repertory company, Berkoff realized that being a conventional actor was not going to be enough for him. He took himself off to Paris, to study mime with Jacques Le Coc — an artist "very much more interested in melding and molding together theater and mime, rather than pure mime."

On his return he founded the London Theatre Group, launching it with a series of highly original, athletic and exhilarating adaptations, including Kafka's "The Trial" and "Metamorphosis," Poe's "The Fall of the House of Usher," and Aeschylus's "Agamemnon" — all performed on a virtually bare stage with a minimum of props, but creating, through mime and ensemble acting, vividly sketched, constantly changing scenes and settings.

By the mid-'70s Berkoff was composing his own dramas, initiating his career as a playwright with "East," "a testament to youth and energy," a raw, humorous, erotically unbuttoned, often scatological, riot of a play, conjuring up the East End of his upbringing, written in a rhyming slang-peppered, semi-Shakespearean, semi-Berkeffian vernacular that aspires to heady flights of lyricism and as readily plunges into bawdy, surreal depths of doggerel.

There followed "West," a no less exuberant and comic saga of petty metropolitan gang warfare, and "Greek," the Oedipus story transposed to the violent, decaying, boredom-plagued "unimagin-



Berkoff's aim: "To write a play of luxurious language — absolutely to swim in a sea of wonderful verbiage."

able wastelands of Tufnell Park" in present-day northeast London.

Berkoff's extravagant, baroque linguistic acrobatics and complex, relentlessly shifting performance style scaled new pinnacles and plumbed new abysses in "Decadence," first staged a dozen years ago at the New End Theatre, Hampstead (formerly a hospital morgue).

"It's a play," said Berkoff, "that depicts the most extreme aspects of human behavior, the aspects dedicated to indulgence — the Seven Deadly Sins. My idea from the beginning was to write a play of luxurious language — absolutely to swim in a sea of wonderful verbiage — full of lovely images, metaphors, brilliant alliterations. . . . And also to be satirical, cynical, to push things to the limit, not necessarily to shock, but out of the sheer pleasure of being outrageous, to the point where there comes a little explosion, like a 'Ping!' — and you have a piece of . . . Art."

Despite public and critical acclaim, when Berkoff floated the idea of turning "Decadence" into a feature film (several of his earlier productions had been televised) he met a dismal response from British producers.

"Here in England they are still obsessed with the idea that film is not an art form," he said. "They feel that film is an extension of journalism — a little film

about the IRA, with a little romantic interest, is perfect for them, because it deals with a real issue, a real, plodding issue."

Turning to Continental Europe, Berkoff received a more sympathetic response. "In Europe, at least, film is seen as an artwork — the work of an auteur. It is still seen as a possible means of communicating strange, deviant, bizarre, daring ideas. Europeans have never seen films as the Americans so often do — as a kind of junk food to satisfy the immediate craving of cheap, debilitated taste buds."

Berkoff's outspokenly low opinion of most contemporary American cinema has not dampened Hollywood directors' eagerness to employ him as an actor, which he has for many years used to support his experiments on the stage — or, as he puts it, "my theater habit." Stanley Kubrick used him in "A Clockwork Orange" and "Barry Lyndon." Since then he has appeared almost invariably as an archetypal villain — in numerous commercial productions from "Beverly Hills Cop" to "Rambo" and the James Bond movie "Octopussy."

After a German backer was found for "Decadence" (filming was done in Germany and Luxembourg), Berkoff, who both directs and stars, was in need of a female lead.

"I sent the screenplay to Joan Collins," he said. "I thought she had the requisite attractiveness, bizarre kind of lifestyle, elegance. She was, in fact, the Helen of the play; extremely rich, demanding, sexual — the kind of person to whom nothing must be denied. And that's what Joan's like. So I went round to her house, I read a bit for her — she giggled and agreed to take it on."

Had directing for a film proved very different from directing for the stage? "It was a bit nervous the first day, but after that I got easily into it. I used a stand-in to set up the scenes and then took over myself for the shoot. Actually, I found it a very liberating experience to work on a scene, get it right and then move on to the next one — unlike the theater, where you have to do it night after night and don't always feel like it."

With the editing now almost complete and the premiere set for the end of January in London, is Berkoff satisfied with the result?

"The shooting is, I think, quite modern, quite inventive. I tried to see it with a painter's eye, so that it would be very beautiful to look at, with not too much cutting back and forth for reaction shots. I don't think the film is quite as revolutionary as it is made out to be. But in terms of acting, it is extremely handsome — a very performance-driven film. So, I'll be very, very curious to see how it works out."

## PEOPLE

### Here's Johnny, Showing Absolutely No Regrets

Johnny Carson, in a rare interview, lashed out at Jay Leno's agent, Helen Kushnick, saying that NBC was unhappy with Carson's older audience and couldn't wait for Leno to take over. "What on earth was she trying to do? Leno wouldn't have been there at all if it hadn't been for me," Carson said, referring to Leno's many years as a guest host for Carson. But Carson, in Washington to accept a Kennedy Center award for achievement in the performing arts, said he had no plans to come out of retirement. "If I had wanted to say on television, I had a marvelous job. I could have stayed right where I was," he told The Washington Post.

Toni Morrison, the first black woman to win the Nobel Prize in Literature, said she hopes the award will help draw attention to other minority writers. The American novelist and her son, Roger, arrived Monday in Stockholm for festivities leading up to presentation of the 6.7 million kronor (\$790,000) prize on Friday. Morrison said she has not decided how to spend the prize money.

A British aristocrat who squandered a family fortune has been sent to prison for 10 months for possession of heroin and cocaine. Lord Bristol, 39, the seventh son of a duke, was found guilty in court in July after a 1992 police raid on his 400-year-old ancestral home. Sentencing was deferred to give him a chance to kick his drug habit, but Bristol discharged himself from a clinic in a London suburb and went to the south of France. Bristol now plans to sell the family home in order to solve another problem: how to pay debts to tax authorities.

The Daryl Hannah-John F. Kennedy Jr. thing seems to be back on. The attorney escorted the actress to the Los Angeles premiere last week of her HBO movie, "The Attack of the 50-Foot Woman," and the star-studded party that followed.

**INTERNATIONAL CLASSIFIED**  
Appears on Pages 8 & 25

## WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.

**Europe**

City	High	Low	High	Low	High	Low
Algeria	18/11	8/4	17/10	11/5	16/9	10/4
Amsterdam	6/13	2/5	5/13	4/3	6/13	4/3
Ankara	5/11	1/4	5/11	0/3	6/13	4/3
Athens	16/21	9/4	17/22	9/4	16/21	9/4
Batavia	14/25	8/16	13/25	11/22	14/25	8/16
Bangkok	32/38	26/30	31/41	23/28	32/38	26/30
Berlin	5/11	1/1	5/11	2/3	6/13	4/3
Bombay	32/38	26/30	31/41	23/28	32/38	26/30
Buenos Aires	6/13	2/5	5/13	4/3	6/13	4/3
Calcutta	32/38	26/30	31/41	23/28	32/38	26/30
Cairo	16/21	9/4	17/22	9/4	16/21	9/4
Chennai	32/38	26/30	31/41	23/28	32/38	26/30
Dublin	5/11	1/1	5/11	2/3	6/13	4/3
Edinburgh	7/14	3/1	7/14	2/3	8/16	4/3
Frankfurt	6/13	2/5	5/13	4/3	6/13	4/3
Geneva	5/11	1/1	5/11	2/3	6/13	4/3
Helsinki	1/4	-2/3	1/4	-2/3	2/3	0/3
Islamabad	12/23	3/7	12/23	5/11	13/24	6/13
Las Palmas	23/27	16/21	24/27	17/22	23/27	16/21
London	8/16	3/7	8/16	3/7	9/16	4/3
Lyons	10/20	4/9	11/20	6/13	11/20	6/13
Milan	4/20	3/7	4/20	3/7	5/11	2/3
Moscow	1/4	-2/3	1/4	-2/3	2/3	0/3
Mumbai	32/38	26/30	31/41	23/28	32/38	26/30
Nairobi	11/22	5/11	12/23	7/14	13/24	6/13
Paris	11/22	6/13	12/23	7/14	13/24	6/13
Rangoon	32/38	26/30	31/41	23/28	32/38	26/30
Riyadh	2/3	-1/1	2/3	-1/1	3/7	0/3
Singapore	32/38	26/30	31/41	23/28	32/38	26/30
Stockholm	2/3	-1/1	2/3	-1/1	3/7	0/3
Taipei	23/27	16/21	24/27	17/22	23/27	16/21
Tel Aviv	1/4	-2/3	1/4	-2/3	2/3	0/3
Vancouver	7/14	3/1	7/14	2/3	8/16	4/3
Warsaw	4/20	3/7	4/20	3/7	5/11	2/3
Yokohama	1/4	-2/3	1/4	-2/3	2/3	0/3

**North America**

City	High	Low	High	Low	High	Low
Algeria	18/11	8/4	17/10	11/5	16/9	10/4
Amsterdam	6/13	2/5	5/13	4/3	6/13	4/3
Ankara	5/11	1/4	5/11	0/3	6/13	4/3
Athens	16/21	9/4	17/22	9/4	16/21	9/4
Batavia	14/25	8/16	13/25	11/22	14/25	8/16
Bangkok	32/38	26/30	31/41	23/28	32/38	26/30
Berlin	5/11	1/1	5/11	2/3	6/13	4/3
Bombay	32/38	26/30	31/41	23/28	32/38	26/30
Buenos Aires	6/13	2/5	5/13	4/3	6/13	4/3
Calcutta	32/38	26/30	31/41	23/28	32/38	26/30
Cairo	16/21	9/4	17/22	9/4	16/21	9/4
Chennai	32/38	26/30	31/41	23/28	32/38	26/30
Dublin	5/11	1/1	5/11	2/3	6/13	4/3
Edinburgh	7/14	3/1	7/14	2/3	8/16	4/3
Frankfurt	6/13	2/5	5/13	4/3	6/13	4/3
Geneva	5/11	1/1	5/11	2/3	6/13	4/3
Helsinki	1/4	-2/3	1/4	-2/3	2/3	0/3
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Lyons	10/20	4/9	11/20	6/13	11/20	6/13
Milan	4/20	3/7	4/20	3/7	5/11	2/3
Moscow	1/4	-2/3	1/4	-2/3	2/3	0/3
Mumbai	32/38	26/30	31/41	23/28	32/38	26/30
Nairobi	11/22	5/11	12/23	7/14	13/24	6/13
Paris	11/22	6/13	12/23	7/14	13/24	6/13
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Riyadh	2/3	-1/1	2/3	-1/1	3/7	0/3
Singapore	32/38	26/30	31/41	23/28	32/38	26/30
Stockholm	2/3	-1/1	2/3	-1/1	3/7	0/3
Taipei	23/27	16/21	24/27	17/22	23/27	16/21
Tel Aviv	1/4	-2/3	1/4	-2/3	2/3	0/3
Vancouver	7/14	3/1	7/14	2/3	8/16	4/3
Warsaw	4/20	3/7	4/20	3/7	5/11	2/3
Yokohama	1/4	-2/3	1/4	-2/3	2/3	0/3

**Asia**

City	High	Low	High	Low	High	Low
Bangkok	29/34	19/26	31/38	20/28	31/38	20/28
Beijing	7/14	-2/3	7/14	-1/1	8/16	4/3
Hong Kong	19/26	17/22	19/26	18/24	19/26	18/24
London	8/16	3/7	8/16	3/7	9/16	4/3
New Delhi	34/39	13/25	34/39	13/25	34/39	13/25
Osaka	5/11	-2/3	5/11	-1/1	6/13	4/3
Shanghai	11/22	2/3	11/22	0/3	12/23	5/11
Singapore	29/34	19/26	31/38	20/28	31/38	20/28
Tokyo	21/27	15/22	22/27	16/21	23/27	16/21

**North America**

City	High	Low	High	Low	High	Low
Algeria	18/11	8/4	17/10	11/5	16/9	10/4
Amsterdam	6/13	2/5	5/13	4/3	6/13	4/3
Ankara	5/11	1/4	5/11	0/3	6/13	4/3
Athens	16/21	9/4	17/22	9/4	16/21	9/4
Batavia	14/25	8/16	13/25	11/22	14/25	8/16
Bangkok	32/38	26/30	31/41	23/28	32/38	26/30
Berlin	5/11	1/1	5/11	2/3	6/13	4/3
Bombay	32/38	26/30	31/41	23/28	32/38	26/30
Buenos Aires	6/13	2/5	5/13	4/3	6/13	4/3
Calcutta	32/38	26/30	31/41	23/28	32/38	26/30
Cairo	16/21	9/4	17/22	9/4	16/21	9/4
Chennai	32/38	26/30	31/41	23/28	32/38	26/30
Dublin	5/11	1/1	5/11	2/3	6/13	4/3
Edinburgh	7/14	3/1	7/14	2/3	8/16	4/3
Frankfurt	6/13	2/5	5/13	4/3	6/13	4/3
Geneva	5/11	1/1	5/11	2/3	6/13	4/3
Helsinki	1/4	-2/3	1/4	-2/3	2/3	0/3
Islamabad	12/23	3/7	12/23	5/11	13/24	6/13
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Lyons	10/20	4/9	11/20	6/13	11/20	6/13
Milan	4/20	3/7	4/20	3/7	5/11	2/3
Moscow	1/4	-2/3	1/4	-2/3	2/3	0/3
Mumbai	32/38	26/30	31/41	23/28	32/38	26/30
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Paris	11/22	6/13	12/23	7/14	13/24	6/13
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Riyadh	2/3	-1/1	2/3	-1/1	3/7	0/3
Singapore						